

varian



# GRI Content Index

Varian Sustainability Report 2018

The Global Reporting Initiative (GRI) is a not-for-profit organization that promotes sustainability. It provides a comprehensive reporting framework that enables companies and organizations to disclose their sustainability performance. Varian's Sustainability Report 2018 is from Fiscal year 2017 (October 2016 to September 2017) and has been prepared in accordance with the GRI Standards: Core option. To locate the topics and standards contained within the guidelines, and our responses to these standards, use the index below.

For a detailed explanation of the Standards, visit the [GRI website](#).

This index contains page references to the Varian Sustainability Report 2018, available at [www.varian.com/about-varian/citizenship](http://www.varian.com/about-varian/citizenship), and also references to the 2017 Annual Report, available at [www.investors.varian.com/VarianAnnualReports](http://www.investors.varian.com/VarianAnnualReports).

## GENERAL STANDARD DISCLOSURES

GRI STANDARD	GRI DISCLOSURE	LOCATION AND NOTES
<b>Organizational Profile</b>		
102-1	Name of the organization	Varian Medical Systems, Inc.
102-2	Activities, brands, products, and services	About Varian, p3 2017 Annual Report: Form 10-K – Item 1: Business, p1-9 <a href="https://www.varian.com/about-varian">https://www.varian.com/about-varian</a> <a href="https://www.varian.com/about-varian/varian-technologies">https://www.varian.com/about-varian/varian-technologies</a>
102-3	Location of headquarters	3100, Hansen Way, Palo Alto, CA 94304-1038, USA
102-4	Location of operations	About Varian, p3
102-5	Ownership and legal form	2017 Annual Report: Form 10-K – Item 1: Business, p1
102-6	Markets served	About Varian, p3 2017 Annual Report: Form 10-K – Item 1: Business, p1-9 <a href="https://www.varian.com/about-varian">https://www.varian.com/about-varian</a> <a href="https://www.varian.com/about-varian/varian-technologies">https://www.varian.com/about-varian/varian-technologies</a>  We do business globally with manufacturing, engineering, and development in the United States, India, Canada, Europe, and China, and with sales and service operations and customers throughout the world.
102-7	Scale of the organization	About Varian, p3 2017 Annual Report: Form 10-K – Item 1: Business, p1-11, p16-17, p19; Item 6: Selected Financial Data, p49; and Item 8: Financial Statements and Supplementary Data, p78 <a href="https://www.varian.com/about-varian">https://www.varian.com/about-varian</a>
102-8	Information on employees and other workers	See GRI Index Appendix.
102-9	Supply chain	Varian has approximately 140 Level 1 suppliers globally to support its design and manufacturing of products. Varian has also selected strategic business partners to supply products and services in countries where there is no local Varian office.  Please see the Employees and Business Partners section of our corporate website: <a href="https://www.varian.com/about-varian/citizenship/employees-and-business-partners">https://www.varian.com/about-varian/citizenship/employees-and-business-partners</a>

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GRI STANDARD	GRI DISCLOSURE	LOCATION AND NOTES
102-10	Significant changes to the organization and its supply chain	There have been no significant changes to the organization during the reporting period.
102-11	Precautionary principle or approach	<p>Varian is in the business of helping to save lives; we are a risk-averse business. We therefore adopt the precautionary approach: where there may be threats of serious or irreversible impact but a lack of full scientific certainty, we will not use this as a reason for postponing cost-effective measures to prevent negative or harmful environmental or social impacts.</p> <p>We are also certified to ISO 14971:2012 Medical Devices – Application of risk management to medical devices, the purpose of which is to establish a framework for effective management of the risks to health, property, and environment associated with all Varian Oncology Systems (VOS) medical devices; ensure devices marketed are safe to all exposed to them; and to reduce residual risks.</p>
102-12	External initiatives	UICC World Cancer Declaration, CDP Climate Change, CDP Water, Global Reporting Initiative, IAEA PACT Program, Swiss voluntary agreement for the use of SF6 in Particle Beam Accelerators (Electron and Proton Beam Accelerators), Conflict-Free Sourcing Initiative, Corporate Knights Global 100, ISS Ethix's Environmental & Social QualityScore, Corporate Responsibility Magazine 100 Best Corporate Citizens, Barron's 100 Most Sustainable Companies.
102-13	Membership of associations	<p>ASTRO – gold membership; ESTRO – gold membership. These are the two leading radiotherapy bodies in the U.S. and Europe respectively, and our membership is strategic. We do provide funding beyond membership fees.</p> <p>SROA – Society for Radiation Oncology Administrators.                      RSS – The Radiosurgery Society.                      ISRS – International Stereotactic Radiosurgery Society.                      CARO – Canadian Association of Radiation Oncology.                      ESTRO – European Society for Radiotherapy and Oncology.</p> <p>Varian's Field Vice President EMEIA Marketing &amp; Sales Germany sits on COCIR's Board and on COCIR's EHS Policy Committee.                      Corporate sponsor: ISPRIS, RSS.</p> <p>Active members of: Advamed, Advamed China, COCIR (already mentioned) and MedTech Europe. We are also members of other country-specific industry associations such as JFMDA (Japan Federation of Medical Devices Associations) and MTAA (Medical Technology Association of Australia).</p>

**Strategy**

102-14	Statement from senior decision-maker	Dow Wilson, President and CEO, has approved the whole report, which covers Varian's material issues and includes the commentary around performance: both achievements and failures.
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**Ethics and Integrity**

102-16	Values, principles, standards, and norms of behavior	<p><a href="https://www.varian.com/about-varian/citizenship/mission-and-values">https://www.varian.com/about-varian/citizenship/mission-and-values</a>  <a href="http://investors.varian.com/CodeofConduct">http://investors.varian.com/CodeofConduct</a></p>
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GRI STANDARD	GRI DISCLOSURE	LOCATION AND NOTES
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**Governance**

102-18	Governance structure	<p>Governance and Risk Management, p17 Please see the Corporate Governance section of our website: <a href="http://investors.varian.com/corporategovernance">http://investors.varian.com/corporategovernance</a></p> <p>Varian's sustainability program, including management of climate-related issues, is overseen by our Corporate Citizenship Committee, which is sponsored by our SVP General Counsel. This committee is an expansion of the company's cross-functional Safety and Environmental Executive Committee and is made up of senior leaders from across the business, including Environmental Affairs, Finance, Human Resources (including Facilities), Investor Relations, Corporate Communications, Legal, and Global Operations (Supply Chain, Manufacturing). In FY18, the Corporate Citizenship Committee, established and overseen by Varian's President and CEO, linked to Varian's Board through the Board Audit Committee. Our Chief Financial Officer (CFO) reports periodically to the Board Audit Committee and sits on the Corporate Citizenship Committee, offering consistency and accountability for the program. The Corporate Citizenship Committee meets periodically and the Manager of Environmental Affairs reports annually to the Board on climate-related issues, including environmental metrics and progress toward greenhouse gas (GHG), energy, water, and waste targets.</p> <p>The committee is also responsible for communicating our sustainability priorities, including our position on climate change, to our stakeholders in order to continually integrate sustainability and climate change management into our business model. It is also responsible for gathering performance data, setting priorities, and assessing emerging sustainability trends and their relevance to Varian.</p>
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**Stakeholder Engagement**

102-40	List of stakeholder groups	Customers, patients, communities, investors, suppliers, employees, academic/medical research personnel, regulators, policy-makers.
102-41	Collective bargaining agreements	<p>2017 Annual Report: Form 10-K – Item 1: Business, p19</p> <p>None of our employees based in the United States are unionized or subject to collective bargaining agreements. Employees based in some other countries may, from time to time, be represented by works councils or unions or subject to collective bargaining agreements.</p>
102-42	Identifying and selecting stakeholders	Stakeholders have been identified on the basis of who Varian as a business affects and engages with most with respect to financial, social, and environmental matters.
102-43	Approach to stakeholder engagement	<p>We engage with our stakeholders formally and informally through our business activities. The key stakeholders for Varian's annual Sustainability Report are investors and employees. Varian engages with the growing number of environmental, social and governance (ESG)-focused investors.</p> <p>Stakeholder groups including investors, non-governmental organizations (NGOs), customers, and employees (Varian's other partners) are all increasingly taking an interest in the corporate environmental performance of companies in which they are invested. As a result, Varian is facing increased scrutiny, expectations, and pressure over time to improve our management of ESG issues. As a publicly listed company, our investors are becoming increasingly interested in our climate change strategy and have begun to request ESG information. Our decision to participate in the CDP, to publish our first Sustainability Report in 2011 and commitment to a number of environmental goals, including a 25% reduction in GHG emissions from a 2010 baseline by 2020, demonstrates our commitment to providing information to our investors and other interested stakeholders about our climate- and water-related impacts, strategies, and performance. Over the last couple of years, we have also received a small number of ESG inquiries from customers who are developing green procurement expectations related to their supply chain and looking for engagement with their suppliers in meeting their sustainability goals and stakeholder expectations. If we failed to respond effectively to investor or customer requests for ESG information, there could be some impact to our ability to secure capital or our customer relations.</p> <p>We engage with suppliers through our standard Supplier Agreement, which requires compliance with local, applicable laws, including water quality, and through our Supplier Code of Conduct, published in FY17, which requires our suppliers to conserve natural resources and energy, reduce waste and use of hazardous substances, and minimize adverse impacts on the environment. By signing the agreement, suppliers accept responsibility to comply with our requirements. We plan to hold educational events with our suppliers to make our expectations clear.</p> <p>We engage with employees through data collection forms distributed to all global locations, enabling us to analyze year-over-year differences, evaluate progress towards our publicly stated goals, and identify opportunities to reduce our environmental impact. We also use this information to evaluate and manage asset-level risks and understand our potential vulnerability to changing regulations.</p>

GRI STANDARD	GRI DISCLOSURE	LOCATION AND NOTES
102-44	Key topics and concerns raised	Extending Advanced Care, p5-8 This section covers some of our key engagements with stakeholders, showing how we listened and responded to varying needs.  See 102-43 for further information on stakeholder engagement.

### Reporting Practice

102-45	Entities included in the consolidated financial statements	2017 Annual Report: Form 10-K – Item 1: Business, p1-9 The same entities included in Varian’s 2017 Annual Report: Form 10-K are covered by this report.
102-46	Defining report content and topic boundaries	We have undertaken desk-based research involving a review of Varian’s communications and stakeholder engagement, as well as peer and media coverage to identify a list of key issues. We then mapped the boundary of each issue based on whether the impact was internal or external.  This review helped to inform and determine the content of this report.
102-47	List of material topics	<ul style="list-style-type: none"> <li>• Access to healthcare.</li> <li>• Product safety and quality.</li> <li>• Innovating solutions.</li> <li>• Profitable growth.</li> <li>• Adherence to international regulation.</li> <li>• Managing hazardous waste.</li> <li>• Natural resource use.</li> <li>• Reliable supply chain.</li> <li>• Conflict minerals.</li> <li>• GHG emissions.</li> <li>• Operational health and safety.</li> <li>• Attracting, retaining, and developing talent.</li> <li>• Educating global practitioners.</li> <li>• Patient data security.</li> </ul>
102-48	Restatements of information	There are no restatements.
102-49	Changes in reporting	There are no significant changes in the list of material topics, topic boundaries, or measurement methods applied.
102-50	Reporting period	October 2016 to September 2017.
102-51	Date of most recent report	The previous report was launched in October 2017: <a href="https://www.varian.com/sites/default/files/55271_Varian_SR_2017.PDF">https://www.varian.com/sites/default/files/55271_Varian_SR_2017.PDF</a>
102-52	Reporting cycle	Annual.
102-53	Contact point for questions regarding the report	<a href="mailto:sustainability@varian.com">sustainability@varian.com</a>
102-54	Claims of reporting in accordance with the GRI Standards	This report has been prepared in accordance with the GRI Standards: Core option.
102-55	GRI content index	Please see our GRI Index.
102-56	External assurance	The report is not externally assured.

## MATERIAL TOPICS

GRI STANDARD	GRI DISCLOSURE	LOCATION AND NOTES
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### ECONOMIC

#### ECONOMIC PERFORMANCE

##### GRI 103: Management Approach 2016

103-1	Explanation of the material topic and its boundaries	About Varian, p3 <a href="https://www.varian.com/about-varian/citizenship">https://www.varian.com/about-varian/citizenship</a> Internal boundary: Varian; External boundary: N/A.
103-2	The management approach and its components	About Varian, p3 Governance and Risk Management, p17 <a href="https://www.varian.com/about-varian/citizenship">https://www.varian.com/about-varian/citizenship</a>
103-3	Evaluation of the management approach	Governance and Risk Management, p17

##### GRI 201: Economic Performance 2016

201-1	Direct economic value generated and distributed	About Varian, p3 2017 Annual Report: Form 10-K – Item 7: Results of Operations, p52-60; and Item 7 Liquidity and Capital Resources, p60-65 2017 Annual Report: Form 10-K – Item 8: Financial Statements and Supplementary Data, p69-73
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#### INDIRECT ECONOMIC PERFORMANCE

##### GRI 103: Management Approach 2016

103-1	Explanation of the material topic and its boundaries	Please see the Giving section of our corporate website: <a href="https://www.varian.com/about-varian/citizenship/giving">https://www.varian.com/about-varian/citizenship/giving</a> Internal boundary: N/A; External boundary: Global communities.
103-2	The management approach and its components	About Varian, p3 Governance and Risk Management, p17
103-3	Evaluation of the management approach	Governance and Risk Management, p17

##### GRI 203: Indirect Economic Impacts 2016

203-1	Infrastructure investments and services supported	Access to Care Program, p7
203-2	Significant indirect economic impacts	Extending Advanced Care, p5-8

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## ENVIRONMENTAL

### MATERIALS

#### GRI 103: Management Approach 2016

103-1	Explanation of the material topic and its boundaries	Please see the Environment section of our corporate website: <a href="https://www.varian.com/about-varian/citizenship/environment">https://www.varian.com/about-varian/citizenship/environment</a> Internal boundary: All Varian operations; External boundary: Suppliers. To continue providing life-saving products and services, we rely on finite natural resources. To help reduce our impact on the availability of these resources, we consider the materials we use directly as well as indirectly through our supply chain.
103-2	The management approach and its components	2017 Highlights, p10 Governance and Risk Management, p17
103-3	Evaluation of the management approach	Governance and Risk Management, p17

#### GRI 301: Materials 2016

301-1	Materials used by weight or volume	We do not currently report the weight or volume of materials used, although we will consider doing so in the next several years. We have a large and complicated supply chain that makes measuring mass and volume of materials difficult. Varian's global operations place great emphasis on working with suppliers who follow good manufacturing practice and have an established quality system in place. We recently developed a Supplier Code of Conduct that covers issues such as conflict minerals, human trafficking, and the prohibition of corrupt acts.
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### ENERGY

#### GRI 103: Management Approach 2016

103-1	Explanation of the material topic and its boundaries	Please see the Environment section of our corporate website: <a href="https://www.varian.com/about-varian/citizenship/environment">https://www.varian.com/about-varian/citizenship/environment</a> Internal boundary: All Varian operations; External boundary: Suppliers.
103-2	The management approach and its components	2017 Highlights, p10 Governance and Risk Management, p17 CDP Climate Change submission 2018, C1-C3
103-3	Evaluation of the management approach	Governance and Risk Management, p17 CDP Climate Change submission 2018, C1-C3

#### GRI 302: Energy 2016

302-1	Energy consumption within the organization	Driving Progress Against Environmental Goals, p9 CDP Climate Change submission 2018, C4, C8  For information on standards, methodology, and assumptions used, please see our CDP Climate Change submission 2018, C8
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GRI STANDARD	GRI DISCLOSURE	LOCATION AND NOTES
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**WATER**

**GRI 103: Management Approach 2016**

103-1	Explanation of the material topic and its boundaries	Please see the Environment section of our corporate website: <a href="https://www.varian.com/about-varian/citizenship/environment">https://www.varian.com/about-varian/citizenship/environment</a> CDP Water Security submission 2018, W0.1-0.6, W1.1 Internal boundary: All Varian operations; External boundary: Suppliers.
103-2	The management approach and its components	2017 Highlights, p10 Governance and Risk Management, p17 CDP Water Security submission 2018, W1, W3, W4, W7, W8
103-3	Evaluation of the management approach	Governance and Risk Management, p17 CDP Water Security submission 2018, W1, W3, W4, W7, W8

**GRI 303: Water and Effluents 2018**

303-1	Water withdrawal by source	CDP Water Security submission 2018, W1, W5
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**EMISSIONS**

**GRI 103: Management Approach 2016**

103-1	Explanation of the material topic and its boundaries	Please see the Environment section of our corporate website: <a href="https://www.varian.com/about-varian/citizenship/environment">https://www.varian.com/about-varian/citizenship/environment</a> Internal boundary: All Varian operations; External boundary: N/A. CDP Climate Change submission 2018, C0.1-0.5
103-2	The management approach and its components	2017 Highlights, p10 Governance and Risk Management, p17 CDP Climate Change submission 2018, C1, C2, C3, C4, C11, C12
103-3	Evaluation of the management approach	Governance and Risk Management, p17 CDP Climate Change submission 2018, C1, C2, C3, C4, C11, C12



GRI STANDARD	GRI DISCLOSURE	LOCATION AND NOTES
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**GRI 305: Emissions 2016**

<b>305-1</b>	Direct (Scope 1) GHG emissions	2017 Highlights, p10 Driving Progress Against Environmental Goals, p9 CDP Climate Change submission 2018, C0, C4, C5, C6, C7
<b>305-2</b>	Energy indirect (Scope 2) GHG emissions	2017 Highlights, p10 Driving Progress Against Environmental Goals, p9 CDP Climate Change submission 2018, CC8.3, CC8.3a, CC10.1, CC10.1a, CC10.2, and 10.2c  For information on base year, standards, methodology, and assumptions used, please see our CDP Climate Change submission 2018, CC7 Emissions Methodology, CC8.1, CC8.4, and C8.5
<b>305-3</b>	Other indirect (Scope 3) GHG emissions	2017 Highlights, p10 Driving Progress Against Environmental Goals, p9 CDP Climate Change submission 2018, CC14.1  For information on base year, standards, methodology, and assumptions used, please see our CDP Climate Change submission 2018, CC7 Emissions Methodology.
<b>305-5</b>	Reduction of GHG emissions	2017 Highlights, p10 Driving Progress Against Environmental Goals, p9 CDP Climate Change submission 2018, C0, C4, C5, C6, C7

**EFFLUENTS AND WASTE**

**GRI 103: Management Approach 2016**

<b>103-1</b>	Explanation of the material topic and its boundaries	Please see the Environment section of our corporate website: <a href="https://www.varian.com/about-varian/citizenship/environment">https://www.varian.com/about-varian/citizenship/environment</a> Internal boundary: All Varian operations; External boundary: Local environment surrounding our operations.
<b>103-2</b>	The management approach and its components	2017 Highlights, p10 Governance and Risk Management, p17
<b>103-3</b>	Evaluation of the management approach	Governance and Risk Management, p17

**GRI 306: Effluents and Waste 2016**

<b>306-2</b>	Waste by type and disposal method	See the GRI Index Appendix for details.
<b>306-3</b>	Significant spills	We disclose any material current spills in the company's Annual Report on Form 10-K for the applicable fiscal year.  For the reporting period, please see the company's Annual Report on Form 10-K for our fiscal year 2017, Part I "Business." As set forth in our Annual Report on Form 10-K for the company's fiscal year 2017, there have been no material spills reported.

GRI STANDARD	GRI DISCLOSURE	LOCATION AND NOTES
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**ENVIRONMENTAL COMPLIANCE**  
**GRI 103: Management Approach 2016**

103-1	Explanation of the material topic and its boundaries	Please see the Environment section of our corporate website: <a href="https://www.varian.com/about-varian/citizenship/environment">https://www.varian.com/about-varian/citizenship/environment</a> Internal boundary: All Varian operations; External boundary: Local environment surrounding our operations.
103-2	The management approach and its components	Driving Progress Against Environmental Goals, p9 Governance and Risk Management, p17
103-3	Evaluation of the management approach	Governance and Risk Management, p17

**GRI 307: Environmental Compliance 2016**

307-1	Non-compliance with environmental laws and regulations	We disclose any material current fines and sanctions for non-compliance with environmental laws and regulations in the company's Annual Report on Form 10-K for the applicable fiscal year.  As set forth in our Annual Report on Form 10-K for the company's fiscal year 2017, there have been no identified material fines and sanctions for non-compliance with environmental laws and regulations.
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**SUPPLIER ENVIRONMENTAL ASSESSMENT**  
**GRI 103: Management Approach 2016**

103-1	Explanation of the material topic and its boundaries	Please see the Employees and Business Partners section of our corporate website: <a href="https://www.varian.com/about-varian/citizenship/employees-and-business-partners">https://www.varian.com/about-varian/citizenship/employees-and-business-partners</a> Internal boundary: N/A; External boundary: Suppliers.
103-2	The management approach and its components	Governance and Risk Management, p17
103-3	Evaluation of the management approach	Governance and Risk Management, p17

**GRI 308: Supplier Environmental Assessment 2016**

308-1	New suppliers that were screened using environmental criteria	We do not currently report the percentage of new suppliers screened for environmental criteria. We are working with Product Compliance to evaluate inclusion of environmental and other sustainability criteria into our new supplier screening process.
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GRI STANDARD	GRI DISCLOSURE	LOCATION AND NOTES
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**SOCIAL**

**EMPLOYMENT**

**GRI 103: Management Approach 2016**

<b>103-1</b>	Explanation of the material topic and its boundaries	Please see the Employees and Business Partners section of our corporate website: <a href="https://www.varian.com/about-varian/citizenship/employees-and-business-partners">https://www.varian.com/about-varian/citizenship/employees-and-business-partners</a> Internal boundary: All Varian employees; External boundary: N/A.
<b>103-2</b>	The management approach and its components	Governance and Risk Management, p17 2017 Annual Report: Form 10K, Item 1: Business, p17
<b>103-3</b>	Evaluation of the management approach	Governance and Risk Management, p17

**GRI 401: Employment 2016**

<b>401-1</b>	New employee hires and employee turnover	<p><b>Hires (&amp; Hire Rate):</b> In FY17, 1,085 employees were hired. This includes employees hired as a result of acquisition. Total Hire Rate was 17%. Hire Rate is calculated as the number of hires in FY17 divided by average number of employees in FY17.  <b>Hires (&amp; Hire Rate) by Gender:</b>                      Male = 776 (16%)   Female = 309 (19%)  <b>Hires (&amp; Hire Rate) by Region:</b>                      AMS = 520 (16%)   APAC = 201 (24%)   EMEA = 360 (15%)  <b>Hires (&amp; Hire Rate) by Age Group (in years):</b>                      20-29 = 283 (70%)   30-39 = 438 (23%)   40-49 = 236 (13%)   50-59 = 109 (7%)   60+ = 13 (2%)</p> <p><b>Terminations (&amp; Termination Rate):</b>                      In FY17, 657 employees termed; 435 were voluntary and 222 involuntary.                      In terms of attrition rate; total attrition rate was 10%, voluntary was 7%, involuntary was 3%. Attrition rate is calculated as number of leavers in FY17 divided by average number of employees in FY17.  <b>Terms (&amp; Term Rate) by Gender:</b>                      Male = 304 (6%)   Female = 131 (8%)  <b>Terms (&amp; Term Rate) by Region:</b>                      AMS = 257 (8%)   APAC = 64 (8%)   EMEA = 111 (5%)  <b>Terms (&amp; Term Rate) by Age Group (in years):</b>                      20-29 = 40 (10%)   30-39 = 132 (7%)   40-49 = 88 (5%)   50-59 = 66 (4%)   60+ = 109 (19%)</p>
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**OCCUPATIONAL HEALTH AND SAFETY**

**GRI 103: Management Approach 2016**

<b>103-1</b>	Explanation of the material topic and its boundaries	Excellence in Health and Safety, p11 Governance and Risk Management, p17 Internal boundary: All Varian employees; External boundary: N/A.
<b>103-2</b>	The management approach and its components	Excellence in Health and Safety, p11 Governance and Risk Management, p17
<b>103-3</b>	Evaluation of the management approach	Governance and Risk Management, p17

GRI STANDARD	GRI DISCLOSURE	LOCATION AND NOTES
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**GRI 403: Occupational Health and Safety 2018**

<b>403-2</b>	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	<p>Excellence in Health and Safety, p11                      For FY17, our OSHA Rate was 0.69, and our DART Rate was 0.46.</p> <p>OSHA Rate = The OSHA Recordable Incident Rate (or Incident Rate) is calculated by multiplying the number of recordable cases by 200,000, and then dividing that number by the number of labor hours at the company.                      DART = DART stands for Days Away, Restricted or Transferred.</p>
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**TRAINING AND EDUCATION**

**GRI 103: Management Approach 2016**

<b>103-1</b>	Explanation of the material topic and its boundaries	<p>Please see the Employees and Business Partners section of our corporate website: <a href="https://www.varian.com/about-varian/citizenship/employees-and-business-partners">https://www.varian.com/about-varian/citizenship/employees-and-business-partners</a>                      Varian's Culture, p12                      Internal boundary: All Varian employees; External boundary: Prospective employees.</p>
<b>103-2</b>	The management approach and its components	Governance and Risk Management, p17
<b>103-3</b>	Evaluation of the management approach	Governance and Risk Management, p17

**GRI 404: Training and Education 2016**

<b>404-1</b>	Average hours of training per year per employee	<p>Varian employees receive on average approximately 78.38 hours of training per year. Varian encourages employees to attend external courses or degree programs related to their job or a role they aspire to within the company, and provides up to 100% reimbursement for registration, tuition, books, and fees for work-related courses, up to \$7,500 per calendar year in the U.S. (outside, the policy varies based on local custom and tax treatment).</p> <p>Although we monitor employee training data internally, we do not report the detailed breakdown required by the GRI.</p>
<b>404-2</b>	Programs for upgrading employee skills and transition assistance programs	Global training programs offered in FY17 include quality, management, ethics, product technology, job-specific functional skills, etc.
<b>404-3</b>	Percentage of employees receiving regular performance and career development reviews	<p>Workforce Gender Distribution:                      In FY17, 25.5% of employees at Varian were female and 74.5% were male.</p> <p>Workforce Goals:                      In FY17, 90% of employees had at least one goal aligned in our performance management process. Among female employees, 87% had at least one aligned goal; 91% of male employees had one aligned goal. Also, 88% of employees had a development goal (85% of all female employees had a development goal; 89% of all male employees had a development goal).</p> <p>In November 2017, just after FY17 close, we launched our employee engagement survey. In this survey, we asked the question "My manager provides me with feedback that helps me improve my performance." 70% of employees agreed their managers provide feedback.</p>

GRI STANDARD	GRI DISCLOSURE	LOCATION AND NOTES
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**SUPPLIER SOCIAL ASSESSMENT**  
**GRI 103: Management Approach 2016**

103-1	Explanation of the material topic and its boundaries	Please see the Employees and Business Partners section of our corporate website: <a href="https://www.varian.com/about-varian/citizenship/employees-and-business-partners">https://www.varian.com/about-varian/citizenship/employees-and-business-partners</a> Internal boundary: N/A; External boundary: Suppliers.
103-2	The management approach and its components	Governance and Risk Management, p17
103-3	Evaluation of the management approach	Governance and Risk Management, p17

**GRI 414: Supplier Social Assessment 2016**

414-1	New suppliers that were screened using social criteria	We do not report the percentage of new suppliers screened for labor practices criteria. Varian China is using social criteria to evaluate suppliers through a suppliers' awards program.
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**CUSTOMER HEALTH AND SAFETY**  
**GRI 103: Management Approach 2016**

103-1	Explanation of the material topic and its boundaries	About Varian, p3 Extending Advanced Care, p5-8 Internal boundary: N/A; External boundary: Customers, practitioners, patients.
103-2	The management approach and its components	Governance and Risk Management, p17
103-3	Evaluation of the management approach	Governance and Risk Management, p17

**GRI 416: Customer Health and Safety 2016**

416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	There have been no material incidents of non-compliance with regulation and voluntary codes concerning health and safety impacts of Varian's products and services.  We disclose any material current incidents of non-compliance in the company's Annual Report on Form 10-K for the applicable fiscal year. As set forth in our Annual Report on Form 10-K for the company's fiscal year 2017, there have been no identified reported incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of our services.
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GRI STANDARD	GRI DISCLOSURE	LOCATION AND NOTES
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**MARKETING AND LABELING**

**GRI 103: Management Approach 2016**

<b>103-1</b>	Explanation of the material topic and its boundaries	About Varian, p3 2017 Annual Report: Form 10-K – Item 1: Business, p12-16, p18-39 Internal boundary: N/A; External boundary: Customers, practitioners.
<b>103-2</b>	The management approach and its components	2017 Annual Report: Form 10-K – Item 1: Business, p12-16, p18-39 Governance and Risk Management, p17
<b>103-3</b>	Evaluation of the management approach	Governance and Risk Management, p17

**GRI 417: Marketing and Labeling 2016**

<b>417-1</b>	Requirements for product and service information and labeling	2017 Annual Report: Form 10-K – Item 1: Business, p12-16, p18-39
<b>417-2</b>	Incidents of non-compliance concerning product and service information and labeling	We disclose any material current incidents of non-compliance in the company's Annual Report on Form 10-K for the applicable fiscal year. As set forth in our Annual Report on Form 10-K for the company's fiscal year 2017, there have been no identified material incidents of non-compliance with regulations and voluntary codes concerning product and service information.

**CUSTOMER PRIVACY**

**GRI 103: Management Approach 2016**

<b>103-1</b>	Explanation of the material topic and its boundaries	About Varian, p3 2017 Annual Report: Form 10-K – Item 1A, p18-39 Internal boundary: N/A; External boundary: Customer, patients.  Keeping customer data secure is central to being a responsible business. We do our utmost to ensure we maintain customer privacy.
<b>103-2</b>	The management approach and its components	2017 Annual Report: Form 10-K – Item 1A, p18-39 Governance and Risk Management, p17
<b>103-3</b>	Evaluation of the management approach	Governance and Risk Management, p17

**GRI 418: Customer Privacy 2016**

<b>418-1</b>	Substantiated complaints concerning breaches of customer privacy and losses of customer data	We disclose any material current substantiated complaints in the company's Annual Report on Form 10-K for the applicable fiscal year. As set forth in our Annual Report on Form 10-K for the company's fiscal year 2017, there have been no identified material substantiated complaints regarding breaches of customer privacy and losses of customer data.
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GRI STANDARD	GRI DISCLOSURE	LOCATION AND NOTES
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**SOCIOECONOMIC COMPLIANCE**  
**GRI 103: Management Approach 2016**

<b>103-1</b>	Explanation of the material topic and its boundaries	2017 Annual Report: Form 10-K, p12-16, p18-39 Internal boundary: N/A; External boundary: Global Communities.
<b>103-2</b>	The management approach and its components	2017 Annual Report: Form 10-K, p12-16, p18-39 Governance and Risk Management, p17
<b>103-3</b>	Evaluation of the management approach	Governance and Risk Management, p17

**GRI 419: Socioeconomic Compliance 2016**

<b>419-1</b>	Non-compliance with laws and regulations in the social and economic area	We disclose any material current fines and sanctions in the company's Annual Report on Form 10-K for the applicable fiscal year. For the reporting period, please see the company's Annual Report on Form 10-K for our fiscal year 2017, Part I "Business" and Note 9 "Commitments and Contingencies" of the Notes to the Consolidated Financial Statements, p95-99
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**GRI INDEX APPENDIX – GRI 102-8**

**As of September 30, 2018**

Employee type by region

	AMERICAS	APAC	EMEIA	GRAND TOTAL
Expat Full Time	1	3	1	5
Full Time	3,396	977	2,514	6,887
Part Time	16	2	174	192
<b>GRAND TOTAL</b>	<b>3,413</b>	<b>982</b>	<b>2,689</b>	<b>7,084</b>

**As of September 30, 2018**

Employee contract by region

	AMERICAS	APAC	EMEIA	GRAND TOTAL
Permanent	1,851	5,130	3	6,984
Temporary	41	58	1	100
<b>GRAND TOTAL</b>	<b>1,892</b>	<b>5,188</b>	<b>4</b>	<b>7,084</b>

**As of September 30, 2018**

Employee type by gender

	FEMALE	MALE	UNKNOWN	GRAND TOTAL
Expat Full Time	2	3	0	5
Full Time	1,750	5,133	4	6,887
Part Time	140	52	0	192
<b>GRAND TOTAL</b>	<b>1,892</b>	<b>5,188</b>	<b>4</b>	<b>7,084</b>

**As of September 30, 2018**

Employee gender by region

	FEMALE	MALE	UNKNOWN	GRAND TOTAL
Americas	979	2,432	2	3,413
APAC	237	745	0	982
EMEIA	676	2,011	2	2,689
<b>GRAND TOTAL</b>	<b>1,892</b>	<b>5,188</b>	<b>4</b>	<b>7,084</b>



**GRI INDEX APPENDIX – GRI 102-8** CONTINUED

**As of September 30, 2018**

Employee group by region

	EXECUTIVE	INTERN	REGULAR EMPLOYEE	RETIREE – TRANSITION	VARIAN CASUAL	VARIAN TEMP	GRAND TOTAL
<b>Americas</b>	20	27	3,363	1	2	0	<b>3,413</b>
<b>APAC</b>	1	3	974	0	2	2	<b>982</b>
<b>EMEIA</b>	1	17	2,625	0	4	42	<b>2,689</b>
<b>GRAND TOTAL</b>	<b>22</b>	<b>47</b>	<b>6,962</b>	<b>1</b>	<b>8</b>	<b>44</b>	<b>7,084</b>

**GRI INDEX APPENDIX – GRI 306-2**

**As of September 30, 2017**

Waste by type and disposal method

	HAZARDOUS (SHORT TONS)	NON-HAZARDOUS (SHORT TONS)	B. METHOD
<b>Reuse</b>	0	0	Disposed of directly by the organization or otherwise directly confirmed
<b>Recycling</b>	8.30	2,623.23	
<b>Composting</b>	0	0	
<b>Recovery, including energy recovery</b>	1.02	1,112.11	
<b>Incineration (mass burn)</b>	0.66	0	
<b>Deep well injection</b>	0	0	
<b>Landfill</b>	5.69	486.03	
<b>On-site storage</b>	0	0	
<b>Other (to be specified by the organization)</b>	0.10	0	
<b>GRAND TOTAL</b>	<b>15.77</b>	<b>4,221.37</b>	