

## Varian Sustainability Report 2016 GRI Index

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 2016 has been prepared in accordance with the GRI G4 guidelines at core level.

This index contains page references to the Varian Sustainability Report 2016 available at [www.varian.com/about-varian/citizenship](http://www.varian.com/about-varian/citizenship) and also references to the 2015 Annual Report available at [www.varian.com/investor](http://www.varian.com/investor)

<b>GENERAL STANDARD DISCLOSURES</b>		
<b>General Standard Disclosures</b>	<b>Page Number (or Link)</b>	<b>External Assurance</b>
<b>STRATEGY AND ANALYSIS</b>		
<u>G4-1</u>	Welcome, p1  Dow Wilson, CEO has approved the whole report, which covers Varian's material issues and includes the commentary around performance: both achievements and failures.	
<b>ORGANIZATIONAL PROFILE</b>		
<u>G4-3</u>	Varian Medical Systems, Inc.	
<u>G4-4</u>	About Varian Medical Systems, p2 2015 Annual Report: Form 10-K – Item 1: Business, pp1–10	
<u>G4-5</u>	3100, Hansen Way, Palo Alto, CA 94304-1038, USA	
<u>G4-6</u>	About Varian Medical Systems, p2 <a href="http://www.varian.com/us/corporate/our_company/">http://www.varian.com/us/corporate/our_company/</a>	
<u>G4-7</u>	2015 Annual Report: Form 10-K – Item 1: Business, p1 <a href="http://www.varian.com/us/corporate/our_company/">http://www.varian.com/us/corporate/our_company/</a>	
<u>G4-8</u>	About Varian Medical Systems, p2 2015 Annual Report: Form 10-K – Item 1: Business, pp1-10 <a href="http://www.varian.com/us/corporate/our_company/">http://www.varian.com/us/corporate/our_company/</a> <a href="https://www.varian.com/about-varian/varian-technologies">https://www.varian.com/about-varian/varian-technologies</a>	

<u>G4-9</u>	<p>About Varian Medical Systems, p2  2015 Annual Report: Form 10-K – Item 1: Business, pp1–13, p19; Item 6: Selected Financial Data, p47; and Item 8: Financial Statements and Supplementary Data, p77  <a href="http://www.varian.com/us/corporate/our_company/">http://www.varian.com/us/corporate/our_company/</a></p>	
<u>G4-10</u>	<p>About Varian Medical Systems, p2  2015 Annual Report: Form 10-K – Item 1: Business, p19</p> <p>The majority of our work is done by employees/supervised workers. Our only seasonal work/variations are interns who are more involved during the summer, but this is small in numbers and not a significant variation. Our workforce is made up of 26% women, 74% men. 40% of our executive team are women. See the GRI Index Appendix for details.</p>	
<u>G4-11</u>	<p>2015 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 foreign countries may, from time to time, be represented by works councils or unions, or subject to collective bargaining agreements.</p>	
<u>G4-12</u>	<p>Varian has a supply chain to support its design and manufacturing of products. Varian has selected business partners throughout the supply chain to supply products and services in countries in which there is no local Varian office.</p> <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></p>	
<u>G4-13</u>	<p>Varian announced the intention to spin off the imaging components business as a separate company from January 2017.</p>	
<u>G4-14</u>	<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>	
<u>G4-15</u>	<p>UICC World Cancer Declaration, Carbon Disclosure Project, Global Reporting Initiative, IAEA PACT Program</p>	
<u>G4-16</u>	<p>ASTRO – gold membership, ESTRO – gold membership</p> <p>These are the two leading radiotherapy bodies in the US and Europe respectively and our membership is strategic. We do provide funding beyond membership fees.</p>	
<b>IDENTIFIED MATERIAL ASPECTS AND BOUNDARIES</b>		
<u>G4-17</u>	<p>2015 Annual Report: Form 10-K – Item 1: Business, pp1–10</p> <p>The same entities included in Varian's 2015 Annual Report: Form 10-K are covered by this report.</p>	

<u>G4-18</u>	<p>We have undertaken desk-based research involving a review of Varian's communications and stakeholder engagement, as well as peer and media review to identify a list of key issues. We then mapped the boundary of each issue based on whether the impact was internal or external.</p> <p>This review helped to inform and determine the content of this report.</p>	
<u>G4-19</u>	<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>	
<u>G4-20 and 21</u>	See table below	

Material Issue	GRI Aspect	G4 indicators	Boundary			
			Internal		External	
			Impact	Boundary	Impact	Boundary
Access to Healthcare	Indirect economic impacts	G4-EC7 G4-EC8	No		Yes	Global communities
Product Safety and Quality	Customer health and safety	G4-PR1 G4-PR2	No		Yes	Customers, practitioners, patients
	Product and service labeling	G4-PR3 G4-PR4	No		Yes	Customers, practitioners
	Product responsibility: Compliance	G4-PR9	Yes	All Varian operations	No	
Innovating Solutions	Indirect economic impacts	G4-EC7 G4-EC8	As above	As above	As above	As above
Profitable Growth	Economic performance	G4-EC1	Yes	Varian Medical Systems	No	
Adherence to International Regulation	Environmental: Compliance	G4-EN29	Yes	All Varian operations	No	Local environment surrounding our operations
	Society: Compliance	G4-SO8	Yes	All Varian operations	No	Local communities surrounding our operations
	Product responsibility: Compliance	G4-PR9	As above	As above	As above	As above
Managing Hazardous Waste	Effluents and waste	G4-EN23 G4-EN24 G4-EN25	Yes	All Varian operations	Yes	Local environment surrounding our operations
Natural Resource Use	Materials	G4-EN1	Yes	All Varian operations	Yes	Suppliers
	Energy	G4-EN3 G4-EN6 G4-EN7	Yes	All Varian operations	Yes	Suppliers
	Water	G4-EN8	Yes	All Varian operations	Yes	Suppliers
	Effluents and waste	G4-EN23 G4-EN24 G4-EN25	As above	As above	As above	As above

Reliable Supply Chain	Supplier environmental assessment	G4-EN32 G4-EN33	No		Yes	Suppliers
	Supplier assessment for labor practices	G4-LA14 G4-LA15	No		Yes	Suppliers
	Supplier human rights assessment	G4-HR10 G4-HR11	No		Yes	Suppliers
	Supplier assessment for impacts on society	G4-SO9 G4-SO10	No		Yes	Suppliers
Conflict Minerals	Supplier human rights assessment	G4-HR10 G4-HR11	As above	As above	As above	As above
GHG Emissions	Emissions	G4-EN15 G4-EN16 G4-EN17 G4-EN19	Yes	All Varian operations	No	
Operational Health and Safety	Occupational health and safety	G4-LA6 G4-LA7	Yes	All Varian employees	No	
Attracting, Retaining and Developing Talent	Employment	G4-LA1	Yes	All Varian employees	No	
	Training and education	G4-LA9 G4-LA10 G4-LA11	Yes	All Varian employees	Yes	Prospective employees
Educating Global Practitioners	Product and service labeling	G4-PR3	As above	As above	As above	As above
	Indirect economic impacts	G4-EC8	As above	As above	As above	As above
Patient Data Security	Customer privacy	G4-PR8	No		Yes	Customers, patients

General Standard Disclosures	Page Number (or Link)	External Assurance
<a href="#">G4-22</a>	There are no restatements.	
<a href="#">G4-23</a>	There are no significant changes in the scope, boundary, or measurement methods applied.	

<b>STAKEHOLDER ENGAGEMENT</b>		
<u>G4-24</u>	Customers, patients, communities, investors, suppliers, employees, academics/medical research community, regulators, policy-makers	
<u>G4-25</u>	Stakeholders have been identified on the basis of who Varian as a business affects and engages with the most with respect to financial, social, and environmental matters.	
<u>G4-26</u>	<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 ESG-focused investors, particularly in Europe, through presenting at ESG/CSR financial events, targeting relevant new investors, and communicating regularly with existing ESG-focused investors such as Generation (London) and PGGM (Amsterdam), both of whom are among Varian's top 10 global investors.</p> <p>No engagement has been undertaken specifically as part of the report preparation process.</p>	
<u>G4-27</u>	<p>Extending Advanced Care, pp3–11</p> <p>This section covers some of our key engagement with stakeholders, showing how we listened and responded to varying needs.</p>	
<b>REPORT PROFILE</b>		
<u>G4-28</u>	October 2014 to September 2015	
<u>G4-29</u>	<p>The previous report was launched in September 2015:</p> <p><a href="https://www.varian.com/sites/default/files/resource_attachments/VarianSR2015.pdf">https://www.varian.com/sites/default/files/resource_attachments/VarianSR2015.pdf</a></p>	
<u>G4-30</u>	Annual	
<u>G4-31</u>	sustainability@varian.com	
<u>G4-32</u>	This report uses the core level of reporting and is in reference, rather than in accordance, to G4 at core level.	
<u>G4-33</u>	The report is not externally assured.	
<b>GOVERNANCE</b>		
<u>G4-34</u>	<p>Governance and Risk Management, p23</p> <p>Please see the Corporate Governance section of our website: <a href="http://investors.varian.com/index.php?s=64">http://investors.varian.com/index.php?s=64</a></p>	
<b>ETHICS AND INTEGRITY</b>		
<u>G4-56</u>	<p>About Varian Medical Systems, p2</p> <p>Please see the Corporate Governance section of our website: <a href="http://investors.varian.com/index.php?s=64">http://investors.varian.com/index.php?s=64</a></p>	

<b>SPECIFIC STANDARD DISCLOSURES</b>					
<b>DMA and Indicators</b>	<b>Page Number (or Link)</b>	<b>Identified Omission(s)</b>	<b>Reason(s) for Omission(s)</b>	<b>Explanation for Omission(s)</b>	<b>External Assurance</b>
<b>CATEGORY: ECONOMIC</b>					
<b>MATERIAL ASPECT: ECONOMIC PERFORMANCE</b>					
<u>G4-DMA</u>	About Varian Medical Systems, p2 Governance and Risk Management, p23				
<u>G4-EC1</u>	About Varian Medical Systems, p2 2015 Annual Report: Form 10-K, Item 7: Results of Operations, pp55–66; and Item 7: Liquidity and Capital Resources, pp66-72 2015 Annual Report: Form 10-K, Item 8: Financial statements and supplementary data, pp75–79 Extending Care, pp3-4				
<b>MATERIAL ASPECT: INDIRECT ECONOMIC IMPACTS</b>					
<u>G4-DMA</u>	About Varian Medical Systems, p2 Extending Advanced Care, pp3-11 Governance and Risk Management, p23 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>				
<u>G4-EC7</u>	Extending Care, pp3-4				
<u>G4-EC8</u>	Extending Care, pp3-4 Training the Trainers, p6				

<b>CATEGORY: ENVIRONMENTAL</b>					
<b>MATERIAL ASPECT: MATERIALS</b>					
<u>G4-DMA</u>	<p>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>  Environmental Highlights, p13  Governance and Risk Management, p23</p> <p>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.</p>				
<u>G4-EN1</u>	<p>We do not report the weight or volume of materials used.</p>	Materials used by weight or volume.	The information is currently unavailable.	The collection of material use data will be an area of consideration in 2016 and reporting as relevant thereafter.	
<b>MATERIAL ASPECT: ENERGY</b>					
<u>G4-DMA</u>	<p>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>  2015 Environmental Highlights, p14  Governance and Risk Management, p23  CDP Climate Change submission 2016, CC3.1b</p>				



<u>G4-EN3</u>	<p>Progress Against Key Environmental Goals, p15 CDP Climate Change submission 2016, CC11.2, CC11.3, CC11.3a and CC11.4</p> <p>For information on standards, methodology, and assumptions used, please see our CDP Climate Change submission 2016, CC7 Emissions Methodology and CC8.5.</p>				
<u>G4-EN6</u>	See the GRI Index Appendix for details.				
<b>MATERIAL ASPECT: WATER</b>					
<u>G4-DMA</u>	<p>Progress Against Key Environmental Goals, p15 Governance and Risk Management, p23 CDP Water submission 2016, W0 Introduction, W1 Context, W2 Procedures and Requirements, W3 Water Risks, W4 Water Opportunities, W6 Governance and Strategy, and W8 Targets and Initiatives</p> <p>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></p>				
<u>G4-EN8</u>	<p>CDP Water submission 2016, W1.2, W1.2a, W5.1, and W5.1a</p> <p>For information on standards, methodology, and assumptions used, please see our CDP Water submission 2016.</p>				

<b>MATERIAL ASPECT: EMISSIONS</b>					
<u>G4-DMA</u>	<p>Progress Against Key Environmental Goals, p15            Governance and Risk Management, p23            CDP Climate Change submission 2016, CC1 Governance, CC2 Strategy, CC3.1, CC3.1a, CC3.1b, CC3.1c, CC5 Risks, CC6 Opportunities, and CC14.4a, CC14.4b, and CC14.4c</p> <p>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></p>				
<u>G4-EN15</u>	<p>2015 Environmental Highlights, p14            Progress Against Key Environmental Goals, p15            CDP Climate Change submission 2016, CC8.2, CC8.9, CC9.1, CC9.1a, CC9.2, and CC9.2d</p> <p>For information on base year, standards, methodology, and assumptions used, please see our CDP Climate Change submission 2016, CC7 Emissions Methodology, CC8.1, CC8.4, and CC8.5.</p>				
<u>G4-EN16</u>	<p>2015 Environmental Highlights, p13            Progress Against Key Environmental Goals, p14            CDP Climate Change submission 2016, CC8.3, CC8.3a, CC10.1, CC10.1a, CC10.2, and CC10.2c</p> <p>For information on base year, standards, methodology, and assumptions used, please see our CDP Climate Change</p>				

	submission 2016, CC7 Emissions Methodology, CC8.1, CC8.4, and CC8.5.				
<u>G4-EN17</u>	2015 Environmental Highlights, p13 Progress Against Key Environmental Goals, p14 CDP Climate Change submission 2016, CC14.1  For information on standards, methodology, and assumptions used, please see our CDP Climate Change submission 2016, CC7 Emissions Methodology.				
<u>G4-EN19</u>	2015 Environmental Highlights, p13 Progress Against Key Environmental Goals, p14 CDP Climate Change submission 2016, CC3.1b, CC3.1e, CC3.3a, CC3.3b, CC12.1, CC12.2, CC12.3, CC14.3, and CC14.3a  For information on standards, methodology and assumptions used, please see our CDP Climate Change submission 2016, CC7 Emissions Methodology, CC8.1, CC8.4, and CC8.5.				
<b>MATERIAL ASPECT: EFFLUENTS AND WASTE</b>					
<u>G4-DMA</u>	Progress Against Key Environmental Goals, p14 Governance and Risk Management, p23  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>				
<u>G4-EN23</u>	See the GRI Index Appendix for details.				

G4-EN24	<p>We disclose any material current spills in the company's Annual Report on Form 10-K for the applicable fiscal year.</p> <p>For the reporting period, please see the company's Annual Report on Form 10-K for our fiscal year 2015, Part I "Business". As set forth in our Annual Report on Form 10-K for the company's fiscal year 2015, there have been no material spills reported.</p>				
<b>MATERIAL ASPECT: COMPLIANCE</b>					
G4-DMA	<p>Progress Against Key Environmental Goals, p14 Governance and Risk Management, p23</p> <p>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></p> <p>2015 Annual Report: Form 10-K, pp21-43</p>				
G4-EN29	<p>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.</p> <p>As set forth in our Annual Report on Form 10-K for the company's fiscal year 2015, there have been no identified material fines or sanctions for non-compliance with environmental laws and regulations.</p>				

<b>MATERIAL ASPECT: SUPPLIER ENVIRONMENTAL ASSESSMENT</b>					
<u>G4-DMA</u>	<p>Supplier Code of Conduct, p18 Governance and risk management, p23</p> <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></p>	<p>Systems used to screen suppliers, processes used to identify and assess actual and potential negative impacts, processes to identify and prioritize suppliers for assessment, actions taken to address actual and potential negative impacts identified in the supply chain, processes to establish expectations with suppliers, whether suppliers are incentivized or rewarded for the prevention, mitigation, and remediation of impacts, practices for auditing and assessing suppliers, systems in place to assess the potential negative impacts of terminating a relationship with a supplier</p>	<p>The information is currently unavailable.</p>	<p>Supplier environmental assessment will be an area of consideration in 2016 and reporting as relevant thereafter.</p>	
<u>G4-EN32</u>	<p>We do not report the percentage of new suppliers screened for environmental criteria.</p>	<p>Percentage of new suppliers screened for environmental criteria</p>	<p>The information is currently unavailable.</p>	<p>Supplier environmental assessment will be an area of consideration in 2016 and reporting as relevant thereafter.</p>	

<b>CATEGORY: SOCIAL</b>					
<b>SUB-CATEGORY: LABOR PRACTICES AND DECENT WORK</b>					
<b>MATERIAL ASPECT: EMPLOYMENT</b>					
<u>G4-DMA</u>	<p>Supplier Code of Conduct, p18 Governance and Risk Management, p23</p> <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></p> <p>2015 Annual Report: Form 10K, Item 1: Business, p19</p>	<p>Actions taken to determine and address situations where work undertaken within the organization's supply chain does not take place within appropriate institutional and legal frameworks, situations where persons working for suppliers are not provided the social and labor protection that they are entitled to, situations where working conditions in the organization's supply chain did not meet international labor standards or national labor law, situations where work undertaken within the organization's supply chain is inadequately remunerated, situations of disguised employment relationships, situations where work undertaken within the organization's supply chain performed at home is not performed subject to a legally recognized contract</p>	<p>The information is currently unavailable.</p>	<p>Actions to address employment standards throughout Varian's supply chain will be an area of consideration in 2016 and reporting as relevant thereafter.</p>	
<u>G4-LA1</u>	<p>Varian's turnover is less than 8% a year and almost 80% of that is voluntary. The average age of employees is 43 and the average length of service is eight years. See the GRI Index Appendix for details.</p>				

<b>MATERIAL ASPECT: OCCUPATIONAL HEALTH AND SAFETY</b>					
<u>G4-DMA</u>	Health and safety, p17 Governance and risk management, p23	Programs related to assisting workforce members, their families, or community members regarding serious diseases	The information is currently unavailable.	Programs to assist workforce members, their families, and community members will be an area of consideration in 2016 and reporting as relevant thereafter.	
<u>G4-LA6</u>	Health and safety, p17	Type of injury, occupational diseases, absenteeism, and total number of work-related fatalities, by region and by gender  Rates of injury by gender and region	The information is currently unavailable.	The collection of further occupational health and safety data will be an area of consideration in 2016 and reporting as relevant thereafter.	
<b>MATERIAL ASPECT: TRAINING AND EDUCATION</b>					
<u>G4-DMA</u>	Training the Trainers, p6 Health and safety, p17 Governance and Risk Management, p23  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>				
<u>G4-LA9</u>	Varian employees receive on average approximately 35.59 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). See the GRI Index Appendix for details.	Average hours of training broken down by gender	The information is currently unavailable.	The Learning Management System (LMS) does not include gender data, but we require the same training of all employees, regardless of gender.	

<u>G4-LA10</u>	See the GRI Index Appendix for details.				
<u>G4-LA11</u>	<p>For FY15 86.6% of employees had regular check-ins and a final close-out meeting. An additional 2.9% of employees had some check-in meetings but did not have the final close-out meeting. Of these, 25.6% were female.</p> <p>More importantly, the company put extra emphasis on employee development in FY15. We did this by setting a companywide goal that 90% of employees would have at least one aligned work goal in our performance management system by January, and one development goal in the system by March. We achieved both of these goals companywide.</p>				
<b>MATERIAL ASPECT: SUPPLIER ASSESSMENT FOR LABOR PRACTICES</b>					
<u>G4-DMA</u>	<p>Focusing on supply chain excellence, pp20–21 Governance and risk management, p31</p> <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></p>	<p>Systems used to screen suppliers, processes used to identify and assess actual and potential negative impacts, processes to identify and prioritize suppliers for assessment, actions taken to address actual and potential negative impacts identified in the supply chain, processes to establish expectations with suppliers, whether suppliers are incentivized or rewarded for the prevention, mitigation, and remediation of impacts, practices for auditing and assessing suppliers, systems in place to assess the potential negative impacts of terminating a relationship with a supplier</p>	<p>The information is currently unavailable.</p>	<p>Supplier labor practices assessment will be an area of consideration in 2016 and reporting as relevant thereafter.</p>	



<u>G4-LA14</u>	We do not report the percentage of new suppliers screened for labor practices criteria.	Percentage of new suppliers screened for labor practices criteria	The information is currently unavailable.	Supplier labor practices assessment will be an area of consideration in 2016 and reporting as relevant thereafter.	
<b>SUB-CATEGORY: HUMAN RIGHTS</b>					
<b>MATERIAL ASPECT: SUPPLIER HUMAN RIGHTS ASSESSMENT</b>					
<u>G4-DMA</u>	Supplier Code of Conduct Q&A, p18 Governance and risk management, p23  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>	Systems used to screen suppliers, processes used to identify and assess actual and potential negative impacts, processes to identify and prioritize suppliers for assessment, actions taken to address actual and potential negative impacts identified in the supply chain, processes to establish expectations with suppliers, whether suppliers are incentivized or rewarded for the prevention, mitigation, and remediation of impacts, practices for auditing and assessing suppliers, systems in place to assess the potential negative impacts of terminating a relationship with a supplier	The information is currently unavailable.	Supplier human rights assessment will be an area of consideration in 2016 and reporting as relevant thereafter.	
<u>G4-HR10</u>	We do not report the percentage of new suppliers screened for human rights criteria.	Percentage of new suppliers screened for human rights criteria	The information is currently unavailable.	Supplier human rights assessment will be an area of consideration in 2016 and reporting as relevant thereafter.	
<b>SUB-CATEGORY: SOCIETY</b>					
<b>MATERIAL ASPECT: COMPLIANCE</b>					
<u>G4-DMA</u>	Governance and risk management, p23  2015 Annual Report: Form 10-K, pp14–18				

G4-SO8	<p>We disclose any material current fines and sanctions in the company's Annual Report on Form 10-K for the applicable fiscal year.</p> <p>For the reporting period, please see the company's Annual Report on Form 10-K for our fiscal year 2015, Part I "Business" and Note 9 "Commitments and Contingencies" of the Notes to the Consolidated Financial Statements, pp96–99.</p>				
<b>MATERIAL ASPECT: SUPPLIER ASSESSMENT FOR IMPACTS ON SOCIETY</b>					
G4-DMA	<p>Supplier Code of Conduct Q&amp;A, p18 Governance and risk management, p23</p> <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></p>	<p>Systems used to screen suppliers, processes used to identify and assess actual and potential negative impacts, processes to identify and prioritize suppliers for assessment, actions taken to address actual and potential negative impacts identified in the supply chain, processes to establish expectations with suppliers, whether suppliers are incentivized or rewarded for the prevention, mitigation, and remediation of impacts, practices for auditing and assessing suppliers, systems in place to assess the potential negative impacts of terminating a relationship with a supplier</p>	<p>The information is currently unavailable.</p>	<p>Supplier assessment for impacts on society will be an area of consideration in 2016 and reporting as relevant thereafter.</p>	
G4-SO9	<p>We do not report the percentage of new suppliers screened for criteria on impacts on society.</p>	<p>Percentage of new suppliers screened for criteria on impacts on society</p>	<p>The information is currently unavailable.</p>	<p>Supplier assessment for impacts on society will be an area of consideration in 2016 and reporting as relevant thereafter.</p>	

<b>SUB-CATEGORY: PRODUCT RESPONSIBILITY</b>					
<b>MATERIAL ASPECT: CUSTOMER HEALTH AND SAFETY</b>					
<u>G4-DMA</u>	About Varian Medical Systems, p3 Extending Care, pp3–4, 7 Governance and risk management, p23	Assessment of health and safety impacts of products and services for improvement in each stage of the life cycle	The information is currently unavailable.	Health and safety assessment throughout the life cycle of our products will be an area of consideration for 2016 and reporting thereafter.	
<u>G4-PR2</u>	<p>There have been no incidents of non-compliance with regulation and voluntary codes concerning health and safety impacts of Varian's products and services.</p> <p>We disclose any material current incidents of non-compliance in the company's Annual Report on Form 10-K for the applicable fiscal year.</p> <p>As set forth in our Annual Report on Form 10-K for the company's fiscal year 2015, there have been no identified reported incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of our services.</p>				

<b>MATERIAL ASPECT: PRODUCT AND SERVICE LABELING</b>					
<u>G4-DMA</u>	<p>Governance and risk management, p23</p> <p>2015 Annual Report: Form 10-K, Item 1: Business, pp15–18, pp21–43</p> <p>Ensuring that our products are of the highest quality and safety is imperative to meet our core value of putting customers first. To achieve this, we must provide clear and accessible product and service information to our global practitioners.</p>	Organizational-wide practices in place to assess and maintain customer satisfaction	The information is currently unavailable.	Reporting more information on customer satisfaction will be an area of consideration for 2016 and reporting thereafter.	
<u>G4-PR3</u>	2015 Annual Report: Form 10-K, Item 1: Business, pp14–18, pp21–43				
<u>G4-PR4</u>	<p>We disclose any material current incidents of non-compliance in the company's Annual Report on Form 10-K for the applicable fiscal year.</p> <p>As set forth in our Annual Report on Form 10-K for the company's fiscal year 2015, there have been no identified material incidents of non-compliance with regulations and voluntary codes concerning product and service information.</p>				
<b>MATERIAL ASPECT: CUSTOMER PRIVACY</b>					
<u>G4-DMA</u>	<p>Securing Data in an Age of Breaches, p12</p> <p>Governance and risk management, p23</p> <p>2015 Annual Report: Form 10-K, Item 1A, pp21–43</p> <p>Keeping customer data secure is central to being a responsible business. We do our</p>				

	utmost to ensure we maintain customer privacy.				
<u>G4-PR8</u>	<p>We disclose any material current substantiated complaints in the company's Annual Report on Form 10-K for the applicable fiscal year.</p> <p>As set forth in our Annual Report on Form 10-K for the company's fiscal year 2015, there have been no identified material substantiated complaints regarding breaches of customer privacy and losses of customer data.</p>				

**MATERIAL ASPECT: COMPLIANCE**

<u>G4-DMA</u>	Governance and risk management, p23 2015 Annual Report: Form 10-K, Item 1: Business, pp14–18, pp21–43				
<u>G4-PR9</u>	<p>We disclose any material current fines in the company's Annual Report on Form 10-K for the applicable fiscal year.</p> <p>As set forth in our Annual Report on Form 10-K for the company's fiscal year 2015, there have been no identified material fines for non-compliance with regulations concerning the products and use of products and services.</p>				

**GRI Index Appendix**

G4-10

a) **Report the total number of employees by employment contract and gender**

Type	Female	Male	Unknown	Total	Notes
Agency Temp	82	189	179	450	
Executive	5	16		21	
Independent Contract	9	21	4	34	
Intern	37	79		116	The number of interns can vary from 3 months to 2 years
Regular Employee	1,952	5,612		7,564	
Retiree – Transition	2	1		3	
Service Provider	8	18	1,121	1,147	
Varian Casual	12	7		19	
Varian Temp	34	38		72	
<b>Total</b>	<b>2,141</b>	<b>5,981</b>	<b>1,304</b>	<b>9,426</b>	

b) **Report the total number of permanent employees by employment type and gender**

	Female	Male	Total
Executive	5	16	21
Regular Employee	1,952	5,612	7,564

Retiree – Transition	2	1	3
Varian Casual	12	7	19
<b>Total</b>	<b>1,971</b>	<b>5,636</b>	<b>7,607</b>

	Female	Male	Total
<b>Executive</b>	<b>5</b>	<b>16</b>	<b>21</b>
Americas	5	12	17
EMEA		4	4
<b>Regular Employee</b>	<b>1,952</b>	<b>5,612</b>	<b>7,564</b>
Americas	1,227	3,192	4,419
APAC	192	623	815
EMEA	533	1,797	2,330
<b>Retiree – Transition</b>	<b>2</b>	<b>1</b>	<b>3</b>
Americas	2	1	3
<b>Varian Casual</b>	<b>12</b>	<b>7</b>	<b>19</b>
Americas	2	1	3
EMEA	10	6	16
<b>Total</b>	<b>1,971</b>	<b>5,636</b>	<b>7,607</b>

c) Report the total workforce by region and gender

Super Region	Female	Male	Unknown	Grand Total
Americas	1,277	3,303	1,150	5,730
APAC	235	641	62	938
EMEA	629	2,037	92	2,758
Grand Total	2,141	5,981	1,304	9,426

G4-LA1

a) Report the total number and rate of new employee hires during the reporting period, by age group, gender and region

Age Group	Executive	Intern	Regular Employee	Varian Casual	Grand Total
29 and Under		105	240	2	347
30 to 39		4	317	1	322
40 to 49	1	1	200	1	203
50 to 59			96	1	97
60 to 64			13		13
65 and Over			3		3
Grand Total	1	110	869	5	985



Gender	Executive	Intern	Regular Employee	Varian Casual	Grand Total
Female		38	226	2	266
Male	1	72	643	3	719
Grand Total	1	110	869	5	985

Super Region	Executive	Intern	Regular Employee	Varian Casual	Grand Total
Americas	1	85	450	1	537
APAC		5	118		123
EMEA		20	301	4	325
Grand Total	1	110	869	5	985

b) Report the total number and rate of employee turnover during the reporting period, by age group, gender and region

Age Group	Executive	Intern	Regular Employee	Retiree – Transition	Varian Casual	Grand Total
29 and Under		85	68		4	157
30 to 39		3	185			188
40 to 49		3	175		1	179
50 to 59		1	135		1	137
60 to 64	2		78	1		81

65 and Over			76	2		78
Grand Total	2	92	717	3	6	820

Gender	Executive	Intern	Regular Employee	Retiree – Transition	Varian Casual	Grand Total
Female		28	222	2	3	255
Male	2	64	495	1	3	565
Grand Total	2	92	717	3	6	820

Super Region	Executive	Intern	Regular Employee	Retiree – Transition	Varian Casual	Grand Total
Americas	2	84	458	3	4	551
APAC		1	75			76
EMEA		7	184		2	193
Grand Total	2	92	717	3	6	820

G4-LA9

a) Report the average hours of training that the organization's employees have undertaken during the reporting period, by gender and employee category

	Average Hours of Training per User			
User Type	AMS	APAC	EMEA	Grand Total
Regular Employee	38.62	33.96	35.17	37.02
Contingent	11.97	9.25	15.63	13.21
Executive	13.25		11.33	12.95
Varian Casual	6.00		5.67	5.71
Varian Temp		33.75	23.77	25.31
Retiree – Transition	24.00			24.00
Intern	15.46	16.00	12.50	14.83
Third Party			2.80	2.80
Grand Total	37.60	32.28	33.24	35.59

G4-LA10

a) Report on the type and scope of programs implemented and assistance provided to upgrade employee skills

- For people managers, Varian provides globally the Varian Professional Manager program, which is a comprehensive skill development program covering fundamental management and leadership skills. The program is designed to provide the skills and capabilities required to deliver business results through superior execution, and helps participants: better manage the performance of those they lead; set clear goals that are aligned with Varian's Mission, Vision, Values, and Strategic Priorities; hire, coach, and develop the right talent; improve their ability to execute through teams; and make strategic business decisions that will drive organizational success. (See program overview.)
- Women in Leadership: Maximizing Your Potential is a leadership development initiative for high-performing, high-potential women leaders who have not yet moved into executive-level roles. It is a six-month program combining professionally facilitated peer coaching circles, proven leadership tools to equip

participants to handle tough leadership challenges, and individual coaching sessions with an experienced external coach. This program is run with a new group of women annually.

- The 360 Feedback tool provides individual feedback on expected leadership behaviors to managers and leaders, to give them personal insight for development and growth. It is available for use by individuals and teams.
- The Hermann Brain Dominance Instrument measures and provides insights into thinking styles and is used for self-awareness building, team building, conflict resolution between individuals, and generally to help build awareness for cognitive diversity. 15+ Human Resources professionals globally are certified to work with this tool with teams and individuals.
- Globesmart is a tool to help individuals become more culturally competent. It raises self-awareness and provides education to individuals and teams about the differences and similarities between countries and cultures, and tools and tips for being successful in different cultures.
- Compliance training – Varian provides extensive compliance training globally, covering data privacy, legal compliance, regulatory compliance, health, safety, and quality.
- Skills training – Varian provides extensive technical product and skill-building training to our field service engineers, who must be certified when they are hired before they begin working with customers; and to all of our manufacturing employees whose work requires a high degree of technical skill.
- Harvard ManageMentor is a just-in-time performance support tool available to all managers, and to individual contributors upon request, providing guidance, tools, and tips for 42 different functional areas primarily related to management.
- The Varian benefits package in the U.S. provides a substantial Tuition Reimbursement program available to all employees for pursuing bachelors' and advanced degree programs.
- Varian also funds employee attendance at conferences, webinars, external training programs, professional organization events, and the like, to support growth in specific technical and functional areas.

**b) Report on the transition assistance programs provided to facilitate continued employability and the management of career endings resulting from retirement or termination of employment**

- In reduction in force situations, site relocations/shutdowns, and the like, Varian provides notice and severance pay (according to current policy) and various levels of outplacement assistance. Outplacement assistance consists of help with, and workshops on, resume writing and job search strategies, and provides one-to-one coaching with a career coach and the use of business facilities with access to jobs databases.
- Varian does informal but explicit knowledge transfers when we know someone is on a path to retirement.
- The company coordinates, and brings in outside experts to run, an extensive program for increasing financial wellness of employees at all stages, which includes webinars and courses on topics including:
  - Plan the Retirement You Want
  - Financial Literacy for a Recent Grad
  - Social Security and Medicare Overview
  - Preparing for the Unexpected
  - Estate Planning
  - College Planning
  - Financial Planning

The company also sponsors employee one-to-one sessions with Fidelity Investments, which holds the company's 401K plan.

**G4-EN6**

- a) Report the amount of reductions in energy consumption achieved as a direct result of conservation and efficiency initiatives, in joules or multiples**
  - 8,952GJ
- b) Report the types of energy included in the reductions (e.g., fuel, electricity, heating, cooling, and steam)**
  - Fuel, electricity
- c) Report the basis for calculating reductions in energy consumption such as base year or baseline, and the rationale for choosing it**
  - Reductions were calculated based on projects implemented at the facility-level in 2015 as reported in Varian's CDP 2016 response.

**G4-EN23**

- a) Report the total weight of hazardous and non-hazardous waste, by the following disposal methods**

	<b>Hazardous (short tons)</b>	<b>Non-hazardous (short tons)</b>	<b>b) Method</b>
Re-use	0	0	Disposed of directly by the organization or otherwise directly confirmed
Recycling	56.67	3,898.34	
Composting	0	342.31	
Recovery, including energy recovery	1.66	1,101.19	
Incineration (mass burn)	8.54	0	
Deep well injection	0	0	
Landfill	7.91	600.12	
On-site storage	0	0	
Other (to be specified by the organization)	0	0	
<b>Grand Total</b>	<b>74.78</b>	<b>5,491.96</b>	