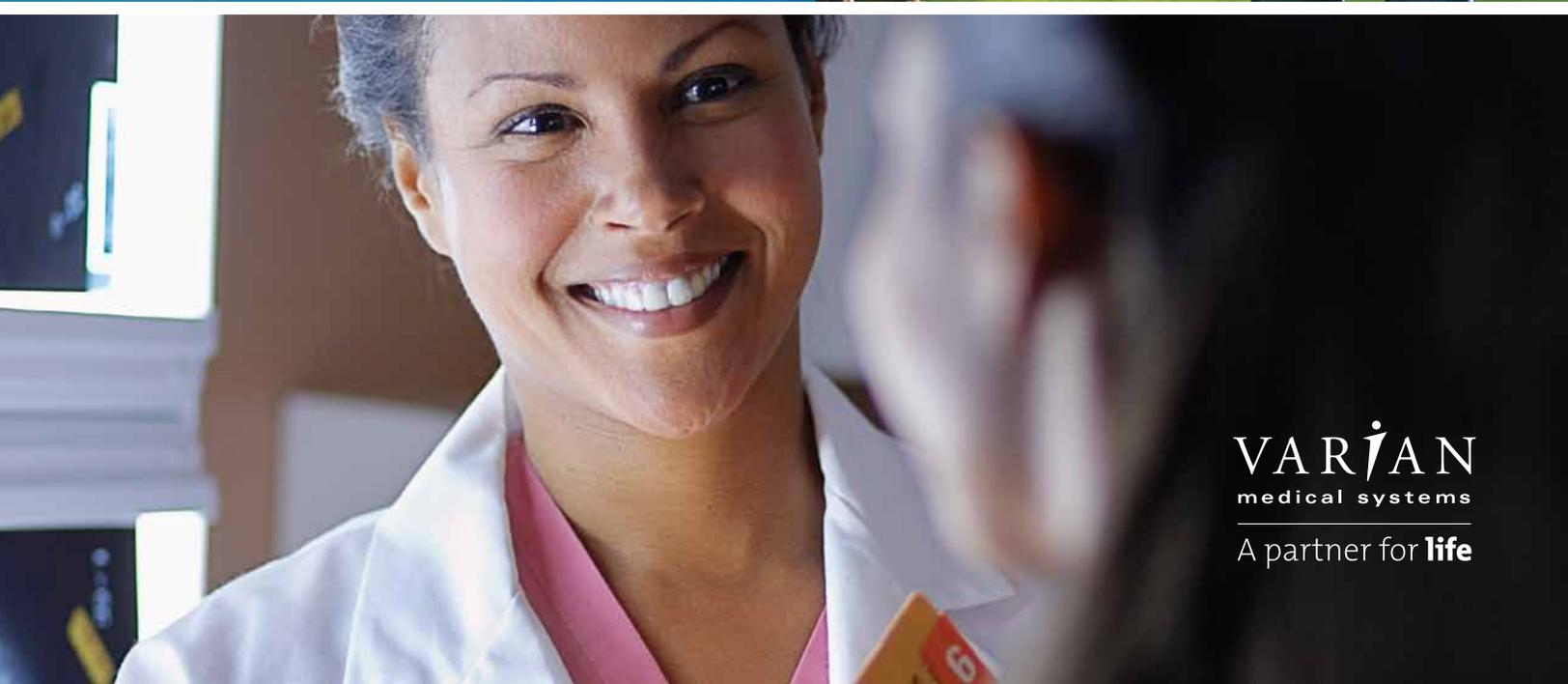




**PROTECTING RESOURCES,  
EXTENDING CARE,  
*SAVING LIVES***

Varian Sustainability Report 2012



**VARIAN**  
medical systems

A partner for **life**

# WELCOME TO OUR SUSTAINABILITY REPORT 2012

*Our mission is to help save an additional 100,000 lives each year through innovation*

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### OUR SUSTAINABILITY REPORT 2012

This is the second annual report produced as part of Varian's wider program to improve our sustainability performance and transparency. In 2010 we commenced a comprehensive, company-wide undertaking to examine our sustainability performance and identify where we perceive challenges and opportunities to be addressed over time. This effort involved the close participation of senior leaders from each of our divisions, key geographies, and core functions. We identified and prioritized our most significant sustainability issues and monitored our progress against GRI (Global Reporting Initiative) guidelines. We hope you enjoy learning more about Varian's sustainability efforts.

This report covers Fiscal Year 2011 (October 2010 to September 2011).

**Go online:** In addition to this report, Varian will publish future sustainability reports, performance, and activities on this site: [www.varian.com/us/corporate/corporate\\_citizenship](http://www.varian.com/us/corporate/corporate_citizenship). We expect to issue our third annual sustainability report in mid-2013.



## A MESSAGE FROM OUR CEO

Cancer rates rise by 4% each year. According to the World Health Organization, new cases of cancer are expected to double from 10 million in 2000 to 20 million in 2050.

There are more than 200 types of cancer and each is different, so we're not expecting a "silver bullet" anytime soon. But one thing's for sure – radiotherapy is extremely effective at killing many types of cancer cells and controlling tumors. Varian's core business is radiotherapy and our products are needed now more than ever.

While our company continues to develop better x-ray imaging and dose delivery capabilities for the clinicians who encounter this terrible disease every day, we strive to do so in ways that extend access to advanced care, help improve outcomes, optimize safety, and make a positive impact on the communities where we operate. Our products help to save lives but that's not enough. Varian can't just be the leader in X-ray technology: we must also lead in social responsibility and sustainability.



Varian can't just be the leader in X-ray technology – we must also lead in social responsibility and sustainability."



As you may know, I've decided to step down as CEO at the end of fiscal year 2012. Varian has given me the unique opportunity to build a global business with the mission of saving and protecting lives. During my 35 years with the company, we've successfully developed new technology and products in radiation oncology and X-ray imaging that will have a significant impact on the lives of millions of people around the world. The time is now right for me to hand over to Dow Wilson, who has become immersed in the growth of all of our businesses since he assumed the expanded role of chief operating officer last October. Dow shares my commitment to sustainability. As for me, I'll continue my involvement in Varian's affairs through my new role as vice-chairman of the Board and I'll keep an especially close eye on Varian's collaborations with international bodies and the global clinical community as we work to extend care globally and help to improve treatments and outcomes in some of the least developed parts of the world, something that is especially close to my heart.

Last year we produced our first Sustainability Report and it was extremely well received by the communities we serve. We asked for feedback and we received plenty. We have tried to incorporate as many of your suggestions as possible. We're also measuring ourselves against the targets we published in the inaugural report.

*Where we said we would strive to reach a defined goal, we'll tell you how we're doing and identify areas where there are still gaps.*

This updated report looks at 2011 data and once again uses GRI (Global Reporting Initiative) guidelines against which we can measure our activities. More than 1,600 companies from 60 countries also use GRI standards to produce sustainability reports because these guidelines are the most used, credible and trusted global framework for such reports.

I hope you find the information contained within this report of interest. Please don't hesitate to contact me or Dow Wilson on the email address below with feedback on our activities and suggestions for how we can enhance our sustainability activities in the future. Thanks for your time.



Please email our sustainability team at [sustainability@varian.com](mailto:sustainability@varian.com)

Tim Guertin

**TIM GUERTIN** CEO



## 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 leading-edge treatments in the fight against cancer.



### X-RAY PRODUCTS

Varian's X-Ray Products business is the world's premier independent supplier of X-ray tubes, flat-panel detectors and workstations 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.

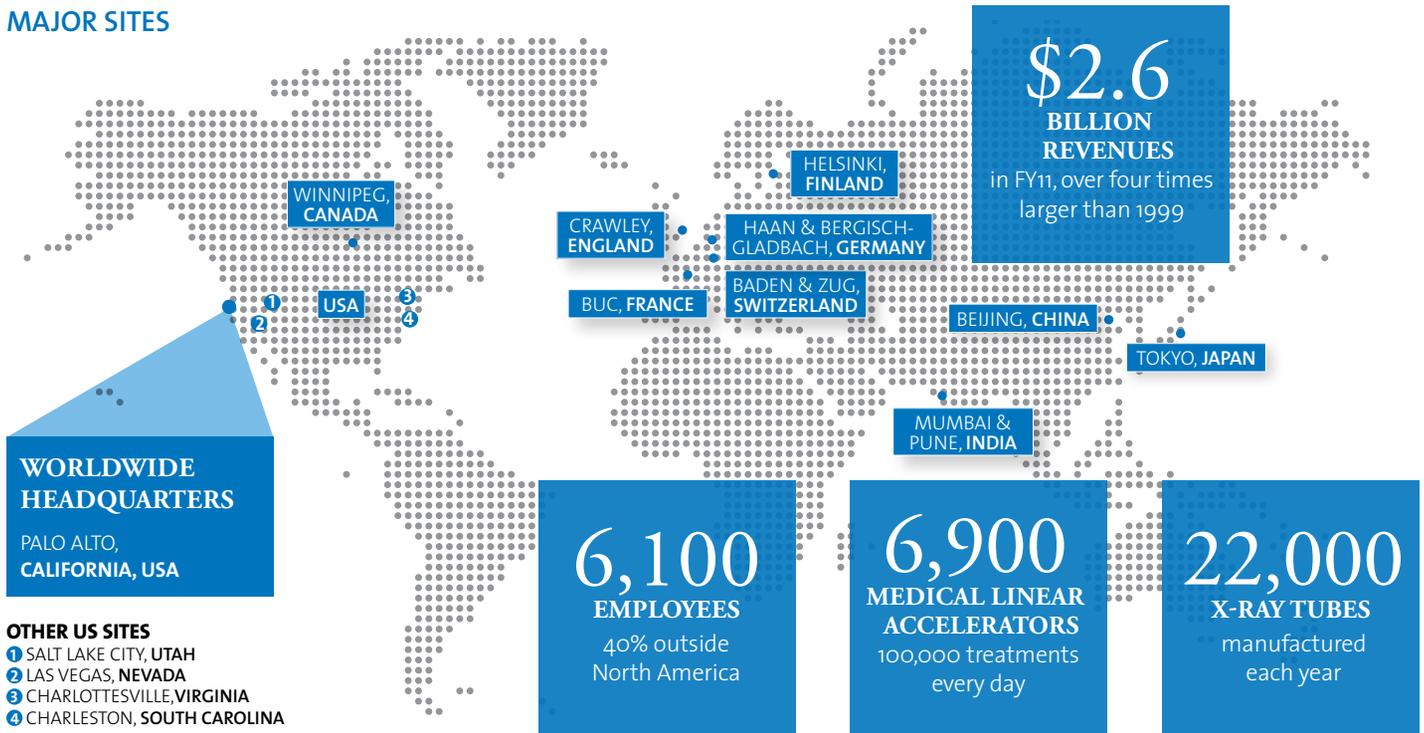


### OTHER

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





**GHG EMISSION**

Reduce carbon footprint/greenhouse gases (Scope 1 & 2) a minimum **25%** from 2010 baseline by **2020**

Achieved a **6.4%** reduction (emissions/\$sales) from baseline year. **Gross: 63,555 metric tons.**

**ELECTRICITY AND NATURAL GAS**

Reduce electricity and natural gas use a minimum **20%** from 2010 baseline by **2020**

Achieved an **8.29%** reduction (kWh/\$sales) in electricity use and **8.29%** reduction (BTUs/\$sales) in natural gas use  
**Gross electricity: 52,530,927 kWh**  
**Gross natural gas: 99,212m BTUs.**

**SOLID WASTE**

Reduce solid waste disposal to landfill. Achieve a minimum **80%** overall diversion by **2015**

Achieved a **70%** recycling rate.

**WATER CONSUMPTION**

Reduce water consumption a minimum **20%** from 2010 baseline by **2020**

Achieved **1.16%** reduction (gallons/\$sales) in water consumption. **Gross 35,075,612 gallons.**

**SUSTAINABILITY GOALS**

In our inaugural Sustainability Report we detailed some long-term goals against which we would be measuring ourselves annually. Here we look at the progress we made in 2011.

■ Goal ■ 2011 Progress

**ZERO LANDFILL**

Each year achieve zero landfill of hazardous waste. **100%** recycling, reclamation, and reuse

**5%** of hazardous waste generated was landfilled. **47%** of hazardous waste generated was sent for off-site recycling. The remaining waste was sent off-site for treatment/reclamation/fuel to energy.

**HAZARDOUS WASTE**

Reduce hazardous waste generation by **25%** from 2010 baseline by **2020**

Achieved **26%** reduction (lbs generated/\$sales) in pounds of hazardous waste generated.

**WELLNESS**

During 2014, the Living Healthy Wellness team will make a health risk assessment available to all Varian employees with the intention to expand the Living Healthy program globally by 2020

Still on course for **2014** assessment and 2020 global rollout.

**REAL ESTATE**

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

Palo Alto Building 4B has been designed to LEED Silver Status.

**CHARITABLE GIVING**

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

Excluding research, Varian's charitable giving equalled 0.2% of pre-tax profit. Varian intends to maintain it at that level.



## SUSTAINABILITY GOVERNANCE

Since Varian Medical Systems became an independent business in 1999, the company has been committed to strong leadership and ethical business practices. Varian acts ethically and in compliance with laws wherever we operate globally. Varian's commitment to corporate governance and accountability to shareholders is embodied in our corporate governance policies.

A culture of ethical behavior starts at the top. Our senior management understands that their behavior sets the tone for the organization and that their performance resonates throughout the company.

A Nominating and Governance Committee of the Company's Board of Directors oversees governance issues relating to the company. A comprehensive Code of Ethics is part of the company's induction program and posted on the intranet to guide employees in conducting themselves in a responsible manner.

Varian's sustainability program is overseen by a Corporate Citizenship Committee, established by CEO Tim Guertin and comprising corporate leaders and business unit heads (see chart below). The group meets on a regular basis to determine progress against sustainability goals. Management is incentivized to meet financial targets.

At the Board level, sustainability issues are overseen by Tim Guertin and the Board's Audit Committee.

Details of Varian's Board and Committee structure, management stock holdings, Corporate Governance Guidelines and Code of Ethics can be found within the Investor Relations Room at [www.varian.com/investor](http://www.varian.com/investor)

Oversees the activities of the Corporate Citizenship Committee.

The committee meets on a regular basis to set the company-wide Sustainability Strategy and determine progress against goals.

### GOVERNANCE AND MANAGEMENT OF SUSTAINABILITY AT VARIAN

 CEO and President

#### Corporate Citizenship Committee

 Chief Financial Officer

 Senior VP, Human Resources

 VP, Regulatory and Quality Assurance

 Director of Environmental Affairs

 VP, Investor Relations and Corporate Communications

 VP, Information Technology

 VP, Facilities

 Senior VP, General Counsel

Oncology Systems

X-Ray Products

Security and Inspection

#### Committee charter

The committee sets targets and monitors progress toward achieving global sustainability targets, working with business unit and corporate leaders globally to communicate the company's sustainability program.



## HEALTH ACCESS AND OUTCOMES

A core element of Varian's goal to help save an additional 100,000 lives each year is to provide greater access to advanced care globally.

This is achieved through a series of initiatives aimed at providing better education for radiotherapy practitioners in emerging countries, working with partners to help upgrade under-equipped oncology departments, and developing products that are easier to use and enable greater throughput.

To help address a shortfall of over 5,000 radiotherapy machines in developing countries, Varian works closely with organizations such as the International Atomic Energy Agency whose PACT (Program of Action for Cancer Therapy) scheme is making a real difference in equipping emerging countries. Varian representatives sit on the PACT Advisory Group on increasing access to Radiotherapy Technology (AGaRT), which looks at the viability, availability and cost of existing radiotherapy technology for developing countries.

*Varian is also rolling out its 'Access to Care' program, utilizing its growing global network of education centers to provide much-needed training and education for personnel in poorly resourced countries.*

While pioneering advances that enable fast and efficient ways of using advanced radiotherapy to help treat some of the emerging countries' deadliest killers, such as cancers of the lung, cervix and head/neck, Varian has also pioneered new techniques that focus on greater throughput and more cost-effective treatments.

In these ways and others, Varian is working with customers and partners to bridge the capacity gap and provide access to modern treatments to some of the world's poorest nations.

“

Varian spent more than US\$170 million in FY11 on research and development aimed at improving cancer treatments. Each year we routinely commit significant revenues to support research initiatives, with more than 100 active research projects spanning five continents.”

*Kolleen Kennedy*

**PRESIDENT, ONCOLOGY SYSTEMS, VARIAN**

**70%**

*of cancer deaths occur in low- and middle-income families.*

*Source: World Health Organization*



## CLINICAL ADVANCES

### TARGETING LUNG CANCER

Lung cancer is the biggest cancer killer in the world, causing more deaths worldwide than breast and prostate cancer combined. Every 30 seconds, someone somewhere in the world dies of lung cancer. In developing nations, the lung cancer burden is expected to grow exponentially – in China alone, there are predicted to be nearly 750,000 cases of lung cancer in 2020, more than half the global burden.

As well as being increasingly prevalent, lung cancer is hard to treat. While survival rates have improved considerably for many forms of cancer, lung cancer survival rates remain stubbornly low. Surgery is typically an option only for healthy, operable patients and the traumatic nature of lung cancer surgery often means long recovery periods.

Techniques such as radiosurgery – often referred to as SABR (stereotactic ablative body radiotherapy) or SBRT (stereotactic body radiotherapy) – have an increasing role to play in treating lung cancer and extend radiotherapy beyond the mostly palliative role it has traditionally played. More precise dose delivery and better imaging to account for motion result in radiosurgery becoming a viable alternative to surgery – in a sense, doctors can use the radiotherapy beam as a non-invasive scalpel to kill the cancerous cells.

Over the past year, many of Varian's innovations have focused on more efficient and effective ways to handle this increasing lung cancer burden.

The latest version of Varian's ARIA information management system – ARIA 11 – introduces a workflow dashboard which means patient information is immediately accessible to doctors without them having to go find it. Available in multiple local languages, this system optimizes the clinician's time.

Automatic contouring has been added to the Eclipse treatment planning system, saving valuable time in the planning process. "The main bottleneck in treatment planning is contouring and delineating anatomical structures so we've added a capability to streamline this process," says Chris Toth, VP of Oncology Systems Marketing. "We wanted to create a tool to provide uniformity and consistency in the clinic and our Smart Segmentation tool enables contouring to be carried out in minutes rather than hours."

**18.2%**  
of all cancer deaths in 2010  
were from lung cancer

Source: GLOBOCAN

### PRECISION TREATMENT

When TrueBeam was introduced in 2010, it incorporated a High Intensity Mode that enabled a dose to be delivered up to four times faster than other linear accelerators, up to 2,400 monitor units per minute. This same capability has now been introduced for other machines in Varian's family of systems, including the Trilogy and Clinac iX systems.

Innovations such as these play a vital role in simplifying the treatment process and broadening the range of tools at the clinician's disposal. More than 100,000 patients are treated each day globally on Varian systems and the company is focusing innovation on treating a greater range of cancers, and speeding up throughput to ensure that many additional cancer patients can benefit from fast, affordable and precise radiotherapy treatments in the future.



The introduction of the TrueBeam system meant clinicians now have the ideal tool to offer non-invasive, radiotherapy alternatives to surgery. We are now focusing on tools that optimize efficiency and workflow and many of these tools are focused on emerging territories where the lung cancer burden is greatest."

Chris Toth

VP, ONCOLOGY SYSTEMS MARKETING,  
VARIAN



## A LOCAL PRESENCE

### EVEN CLOSER TO CUSTOMERS AND PATIENTS



14th Congress of the Brazilian Society of Radiotherapy.

With nearly 7,000 treatment machines installed globally and well over half its business outside the United States, Varian Medical Systems is a truly global enterprise. Whereas the well-developed U.S. and Western Europe countries focus mainly on replacement of existing machines, emerging markets such as Brazil, Russia, India, China and Indonesia, as well as Eastern European, African and Middle Eastern countries are seeking to rapidly expand their treatment capacity to cope with an ever-growing cancer burden.

In the past year, Varian has established new legal entities in Hungary and South Korea to better support local business. In addition, Varian has been reinforcing its global distribution network and will collaborate closely with Siemens to offer advanced Varian systems in regions where the company has traditionally been under-represented.

“Varian is the leading supplier of linear accelerators to developing countries, demonstrating our commitment to providing emerging markets with the optimum means to treat the burgeoning cancer population,” says Chris Toth, VP of Oncology Systems Marketing.

Varian has supplied and installed approximately 300 treatment machines in China, 170 in Brazil, 160 in India and 40 in Russia. “These countries are all enhancing their cancer care infrastructure and as part of this effort are all seeking to increase the availability of modern radiotherapy equipment for their populations, a goal that we are working closely with oncology providers in these countries to help meet,” adds Toth.

## Varian Oncology Systems Vision

*A world without fear of cancer*

## WORKING TOGETHER TO EXTEND CARE

Within the past year, Varian has become a ‘vanguard’ sponsor of the Union for International Cancer Control, which works tirelessly around the world towards its mission of eliminating cancer as a life-threatening disease for future generations.

CEO Tim Guertin has been working with UICC in developing countries in Africa, Asia, Eastern Europe, and Latin America to spread the word about the vital role radiotherapy can play in treating their burgeoning cancer populations.

“UICC has been very good to work with and we share a mission to provide better cancer care, training, and education in developing countries that currently do not have sufficient access to such necessities,” says Andy Whitman, Varian’s VP of Government Affairs. “Partnering with a global cancer fighting organization such as UICC helps enormously to achieve our goal of helping to save an additional 100,000 lives each year.”

Founded in 1933 and based in Geneva, Switzerland, the Union for International Cancer Control is the largest cancer fighting organization of its kind, with more than 635 member organizations across 154 countries.



UICC is committed to achieving the goals of the World Cancer Declaration through strategic partnerships involving members and other institutions interested in fighting cancer. Together we aim to save millions of lives by focusing on what needs to be done in raising awareness, fostering better education, and creating a global network of influence, and the support of vanguard sponsors such as Varian is invaluable.”

*Cary Adams*

**CHIEF EXECUTIVE OFFICER, UICC**



## ADDRESSING THE NEEDS OF AFRICA

In many West and Central African countries, there are no modern radiotherapy treatment machines at all. Yet as the continent grows economically, many African countries have a desire to improve their ability to offer their population modern cancer treatment. Recent activities in Ghana, Zimbabwe, and Nigeria show the extent to which Varian is trying to help them meet this goal.

More than 20,000 Ghanaians took part in the Susan G. Komen walk against cancer in the city of Kumasi recently and Vincent Ronflé, Varian's representative in Central Africa, was among them.

"The goal of this event was to raise awareness about the fact that cancer is not magic and people should consult specialists rather than relying on herbal remedies," says Ronflé. "This is part of a national initiative to highlight the need for prevention and screening, and I was delighted to be able to show my support."

The event was organized by Dr. Beatrice Wiafe Addai from Peace and Love Hospitals in Kumasi, and among the participants were the Vice President of Ghana and the King of the Ashanti region. "This was a wonderful event and I'm so grateful for everyone who took part and helped to raise awareness of this vital issue," said Dr. Addai.

Varian has been selected to supply two linear accelerators and two simulators in an initiative to modernize equipment in the country. One of the treatment machines is being supplied via Varian's close relationship with the International Atomic Energy Agency, which has a mission to help equip under-resourced countries.

"Ghana is a tremendous example for the whole region," says Ronflé. "It's a country with a stable regime, a strong health economy, oil resources, and a comprehensive education system, and is likely to become a major reference for the countries around western Africa."

Ronflé and his team recently undertook a three-day roadshow in Nigeria, a country that has suffered from unreliable treatment machines and a lack of education and training. "The key to equipping Nigeria with modern, advanced treatment capabilities will be to provide education, good treatment facilities, and comprehensive products," says Ronflé. "We are starting on that process and there's a real potential to make a big difference there."

Also in Africa, the Zimbabwe government recently acquired five Varian linear accelerators and two simulators as part of a bold initiative to modernize their two radiotherapy hospitals in Parirenyatwa and Mpilo. Two of these machines are Unique™ Powers, specially designed by Varian to offer fast and efficient modern treatments at a low cost for developing countries.



Attendees at one of the Varian education days in Nigeria.



Most patients in Ghana seek help too late because they believe breast cancer is an incurable disease caused either by witchcraft, a curse on the family, or punishment for a woman's wrongdoing. This is why there is such a need for education about cancer and potential treatments in our region of Africa, and we are grateful to Varian for supporting us in this process."

*Dr. Beatrice Wiafe Addai*

**PEACE AND LOVE HOSPITAL**

Dr. Beatrice Wiafe Addai addresses the walkers at the Baba Yara football stadium in Kumasi, Ghana.





The India Advisory Board, with Varian personnel.



The China Advisory Board, with Varian personnel.

## ADVISORY BOARDS ESTABLISHED IN INDIA AND CHINA

Varian's Oncology Systems business has established new advisory boards in India and China comprising radiation oncologists and medical physicists who can be tapped to help the company make sure its products are meeting the needs of cancer clinics in these markets. Both advisory boards met last year for the first time, in all-day workshops with Varian product marketing personnel, who sought their input about the circumstances in which they practice radiation oncology, and also about Varian's products.

"Emerging areas like India and China are the fastest growing markets for our products with the greatest needs for fast and efficient technologies to treat growing cancer populations," said Corey Zankowski, vice president of product management for Varian's Oncology Systems business. "We want to make sure that what we develop and produce meets their needs."

The well-attended workshops focused on learning about the clinical processes that are followed in these regions, and on an effort to better understand the challenges that Indian and Chinese clinicians face. Not surprisingly, both groups emphasized some of the same issues, namely, the need to treat high patient volumes and the need for improved implementation and training, particularly when it comes to software.

"Clinical users in these markets deal with very high numbers of patients each day. They also deal with limited skilled resources, so they need products that are simple to use, fast, and as safe as they can be made," said Surinderpal Kumar, product manager for clinical solutions and emerging markets, based at Varian's offices in Pune, India.

## TRAINING FOR THE FUTURE

Emerging economies have a tremendous need for modern radiotherapy equipment but funding is often not the only restriction. There's a knowledge gap that needs to be filled. To help alleviate this problem, Varian has established a series of training centers globally.

Varian already operates the world's largest corporate radiotherapy training center in Las Vegas and has built a network of education centers in India, China, Europe, and – most recently – Japan. The Tokyo facility was officially opened in 2011 and offers Japanese oncologists, medical physicists, and technologists the opportunity to gain a greater hands-on understanding of Varian's modern equipment and software.

"Radiotherapy use is on the increase in Japan and our goal is to provide world-class education and customer support on a local basis," said Makoto Yamada, sales manager for Varian in Japan. "We can customize our services to the specific needs of Japanese clinicians and enable them to obtain training without leaving the country."



Varian's new training facility in Tokyo.



## SPEARHEADING THE PROTON ROLLOUT

In recent years, the oncology community has become increasingly interested in using protons to deliver radiotherapy. With protons, the dose can be deposited more precisely than with conventional X-ray based external beam radiotherapy, giving rise to the view that protons may be beneficial in treating certain cancers (particularly tumors adjacent to critical structures) and for certain patients, particularly children. But generating and delivering protons is costly.

As the world leader in radiotherapy, Varian heeded the calls of its customers and established its own end-to-end proton delivery system, building on the company's expertise and strength in conventional radiotherapy. Since its launch a year ago, this ProBeam™ system has been selected for six major projects in the U.S., Saudi Arabia, Russia, and Italy.



We're very pleased to be able to bring Varian's clinically advanced technology to patients. Our aim in purchasing the Varian ProBeam system is to help us meet our mission of saving lives."

*Dr. Arkadi Stolpner*

**PRESIDENT OF THE INTERNATIONAL  
INSTITUTE OF BIOLOGICAL SYSTEMS,  
ST. PETERSBURG**



We are honored to have been selected to supply our equipment and software for these prestigious new facilities, which will make life-saving proton therapy treatments available for the first time to cancer patients in these regions. The introduction of these technologies based on 60 years of innovation puts Varian in a unique position to help advance clinical care for patients around the world."

*Tim Guertin*

**CHIEF EXECUTIVE OFFICER, VARIAN**

### ST. PETERSBURG AND RIYADH

By equipping a new two-room proton therapy center at the PTC St. Petersburg Center of Nuclear Medicine of the International Institute of Biological Systems, Varian will make advanced proton technology available for Russian cancer patients. Delivery and installation is expected to commence in 2014 and patient treatments are scheduled to begin in 2016.

Varian will also equip the King Fahd Medical Center in Riyadh, Saudi Arabia with a ProBeam™ system for five treatment rooms as well as two TrueBeam™ medical linear accelerators in a project where delivery and installation is expected to commence in spring 2013, and patient treatments are scheduled to begin in late 2014.



Varian's ProBeam proton therapy system.



## SAFETY AND RESPONSIBILITY



Varian recognizes the importance of continuing to find ways of enhancing the safety of radiation therapy.”

*Corey Zankowski*

**VP, PRODUCT MANAGEMENT,  
ONCOLOGY SYSTEMS, VARIAN**

Varian’s cancer treatment and medical imaging devices are intended to help patients. Patient safety is therefore paramount in everything the company does, from product design to clinical use to ongoing service.

Like all medical device manufacturers, Varian operates in a highly regulated world and works diligently to comply with the requirements of the U.S. Food and Drug Administration (FDA), the European regulatory authorities, and similar bodies throughout the world, all of which set stringent standards for protecting patient safety.

Throughout the design and development process, Varian teams conduct detailed risk analyses, as well as verification and validation tests to demonstrate products meet their intended use. As a consequence, millions of radiotherapy treatments are delivered safely each year at treatment centers around the world. On Varian equipment alone, it is estimated there are some 35 million individual treatments globally each year.

Varian’s 6,100 employees share a commitment to design, manufacture, and supply products that make a positive difference in the markets they serve, whether it is doing a more effective job of treating cancer, providing better X-ray images with lower dose to patients, or making advanced cargo screening systems available at more ports and borders.

In this section, we examine all these areas, as well as reporting on employee health and safety achievements in 2011.



## SAFETY AT THE CORE

Safety is at the core of Varian's product development. Delivering radiotherapy to patients safely and effectively requires reliable products that are straightforward to operate. Radiation kills cancer cells but it also damages healthy tissue. Using something potentially harmful to destroy a tumor means delivery systems must be engineered with robust safety features.

The TrueBeam™ platform, launched by Varian in 2010, represents the greatest re-design of linear accelerator technology for a generation. In addition to adding several features to enhance the speed and precision of beam delivery, TrueBeam was designed with an emphasis squarely on safety.

The overwhelming majority of radiotherapy treatments are delivered safely but manufacturers continuously strive to reduce the chance of equipment or user error. "A user-centric design is a safe design," says Stan Mansfield, senior safety manager with Varian's Oncology Systems group. "That's why we focused on the user when designing TrueBeam."

To this end, TrueBeam features a consolidated and simplified control system which has combined multiple keyboards into one, and enhanced video monitoring and intercom capabilities for the patient. Treatment processes and workflows are straightforward and easy to learn, with prompts, messages, and a "follow the light" guidance system designed to enhance safety during dose delivery.



Some of the main safety features start in the treatment room, things that the therapist touches and feels. We've improved the user controls and integrated a lot of features – by integrating imaging and delivery, you reduce potential for confusion. In addition, Varian products comply with relevant international safety standards for medical devices."

*Stan Mansfield*

**SENIOR SAFETY MANAGER  
ONCOLOGY SYSTEMS, VARIAN**



Varian's TrueBeam STx system was designed with safety in mind.

### RIGOROUS POST-MARKET SURVEILLANCE PROGRAM

Despite the company's best efforts, however, radiotherapy treatment mishaps do occur on rare occasions. When such an event happens, Varian follows a rigorous process of investigating the situation, determining the root cause, alerting the customers and the regulatory authorities, and taking corrective action to help prevent similar incidents from happening. Finally, lessons learned are used to design additional safeguards. This approach helps Varian to continuously improve product quality.

Varian is proactive about continual improvement in product safety. Through our post-market surveillance program, Varian monitors diverse information sources to collect information. Products specialists observe and interview users to identify issues that could affect the quality of the product. They survey customers and monitor professional communication channels such as blogs and list servers addressing the medical physics and radiation therapy professional communities. They vigorously analyze all product improvement requests, complaints, and help desk calls to spot trends that might reveal product issues that need to be addressed. Information gathered from post-market surveillance becomes the basis for designing product improvements. Such analysis has led to system enhancements such as:

- A treatment management system that performs data checks to verify that the critical pieces of data are present before a treatment is allowed to proceed
- Additional safety features that verify key components of the system are operating correctly
- Dose monitoring systems that monitor the intensity and uniformity of the treatment beam
- Interlocks that stop a treatment if beam parameters falls outside pre-determined limits



## ENHANCING SAFETY

### REGULATORY AFFAIRS AND QUALITY ASSURANCE REPORTS TO CEO

“For Varian, patient safety is the number one priority,” says Vy Tran, vice president of regulatory affairs and quality assurance. This commitment to safety is reinforced by a new reporting structure introduced earlier this year, which sees Tran reporting directly to CEO Tim Guertin.

“This is the first time in Varian’s history that the head of regulatory affairs has reported directly to the head of the company,” says Vy Tran. “It means that we have a voice in senior management on how we handle regulatory affairs and can be even more rigorous in our emphasis on patient safety and quality.”

“When we hear of a patient safety issue from our post-market surveillance program, it is our intent to notify our customers in a timely manner so that any type of injury can be prevented.”



We continuously strive to prevent issues from occurring and we take any issues we are seeing in the field to make improvements to our machines and software to make them smarter.”

*Vy Tran*

**VP, REGULATORY AFFAIRS AND QA, VARIAN**

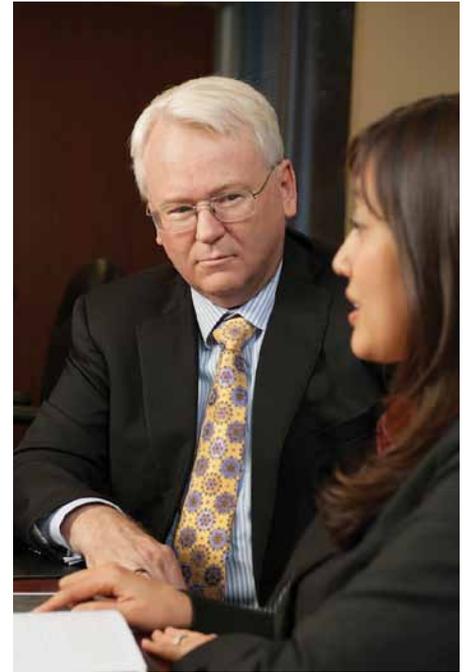
### WORKFLOW CHECKLIST

Among the safety changes introduced to Varian’s product portfolio this past year is a key feature of the company’s latest oncology information management software, ARIA 11. A new checklist mirrors the way surgeons act by guiding users through a series of quality assurance steps before they can commence treatment.

ARIA 11 enables treatment centers to define checklists and attach them to any task, as a QA/safety measure. Systems can be configured to require that these checklists be completed during ‘time-outs’ that would occur at key points during the radiotherapy process.

Once configured, the system will require that checklist items are completed prior to the next step in the care path. Also, users can build in approval mechanisms, and have data locked once approvals have been logged so that no one can make inadvertent changes to the treatment plan without override permissions.

“Varian recognizes the importance of continuing to find ways of enhancing the safety of radiation therapy,” says Corey Zankowski, vice president of product management, Oncology Systems. “These new features in ARIA 2011 improve and simplify clinical workflow and we expect them to contribute to a more consistent treatment process following established workflows and defined quality assurance measures, which could result in improved patient care.”



Vy Tran, VP, regulatory affairs and QA in discussion with Varian’s CEO Tim Guertin.



Varian recognizes the importance of continuing to find ways of enhancing the safety of radiation therapy.”

*Corey Zankowski*

**VP, PRODUCT MANAGEMENT,  
ONCOLOGY SYSTEMS, VARIAN**



## AN ONGOING COMMITMENT TO EMPLOYEE HEALTH AND SAFETY

Varian is dedicated to conducting its business operations worldwide in a manner that supports employee occupational health and safety. Six full-time health and safety professionals in the U.S. and their counterparts overseas continually assess health and safety performance in the businesses they support. They develop annual health and safety plans that cover injury prevention, emergency preparedness, and regulatory compliance.

In 2011, Varian worldwide achieved its lowest ever OSHA (Occupational Safety and Health Administration) and DART (Days Away, Restricted, or Transferred) rates. "Our rates continue to be well below industry benchmarks but our real goal is to continually improve our own performance," says Jim Weber, Varian's health and safety manager. Between 2006 and 2010, DART rates fell by nearly 42% and 2011 was another year of reductions (see chart).

Other recent health and safety highlights include the implementation of Varian-standard safety programs at recent acquisitions Calypso (Seattle) and Infimed (Syracuse, NY). A hazard assessment was also instigated for Varian's work at the Scripps Proton Therapy Center in San Diego.

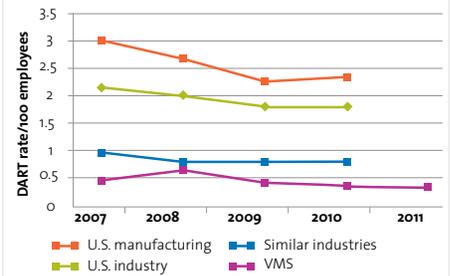
Another initiative is the identification and determination of 'upstream' metrics to track – these are activities that occur before an injury happens that will help prevent such an occurrence. Varian has begun tracking 'near-miss' accidents, which are accidents that don't result in an injury or illness but under slightly different circumstances could have. "We are now investigating near misses and developing corrective actions just as we do for accidents that result in an injury," adds Weber.

### A FOCUS ON COMPLIANCE

Varian Medical Systems focuses strongly on compliance in all its forms: regulatory, quality, ethical and financial. Within this past year, we have appointed a vice president of internal audit and compliance. Brian Allen reports directly to the Board's Audit Committee and he and his team focus on ethical and financial compliance.

Allen has increased the resources on his compliance team and has expanded the role of his team in providing more face-to-face training to those employees who have greatest interactions with customers and assisting in the review and due diligence of third-party partners. This is all a part of Varian's commitment to maintain and ever-improve its anti-corruption, anti-kickback/anti-fraud and business ethics programs.

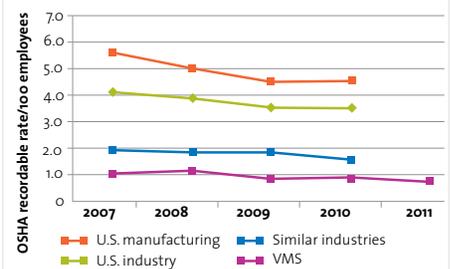
### DART RATES



DART (Days Away, Restricted, or Transferred) rates compared to industry benchmarks.

Varian's DART rates continue to be below industry benchmarks and Varian's goal is to improve performance in this area year over year. These figures include all Varian's global operations. 2011 data not yet available for industry peers.

### OSHA RATES



OSHA recordable rates compared to benchmarks. Varian's OSHA rates continue to be below industry benchmarks and Varian's goal is to improve performance in this area year over year. This represents the occurrence of injuries or illnesses recordable under U.S. OSHA guidelines (any incident that requires medical treatment beyond simple First Aid).



## ENVIRONMENT



Varian's commitment to saving lives can't be at the expense of the environment. We do all we can to reduce our footprint globally."

*Alan Palter*

**SENIOR DIRECTOR OF ENVIRONMENTAL AFFAIRS, VARIAN**

Varian is dedicated to conducting its global business operations in an ethical and environmentally conscious manner that safeguards neighboring communities and the global environment.

Seeking to create long-term shareholder value by implementing environmentally sustainable business practices, Varian also seeks to minimize environmental impact by incorporating pollution prevention and resource conservation principles in all its operations.

Reducing the generation of emissions, solid, and hazardous wastes, and the consumption of natural resources, are core values for the company. Varian began tracking energy use, air emissions, water consumption, and hazardous waste generation at a corporate level and reporting the information to the Board in 1992 and that commitment is even stronger today.

In the last five years, Varian's major sites\* have:

- Reduced hazardous waste generated per dollar of sales by 5%
- Reduced electricity use per dollar of sales by 26%
- Reduced natural gas use per dollar of sales by 38%
- Reduced water use per dollar of sales by 40%

Varian has again provided a comprehensive response to the Carbon Disclosure Project, using results and metrics developed for the company's first Sustainability Report, published in 2011. Many of the goals outlined in last year's Sustainability Report were environmental goals with challenging targets. Progress against these goals is detailed on page 5.

\* Varian's "major sites" contribute up to 82% of the sustainability categories being measured for the entire company. In 2010, our data collection efforts expanded to encompass all Varian sites worldwide. To prevent confusion, future reports will not present data for major sites but will report data for the company as a whole. The environmental targets outlined on page 5 are each directed at measuring the company's performance as a whole, not just major sites.

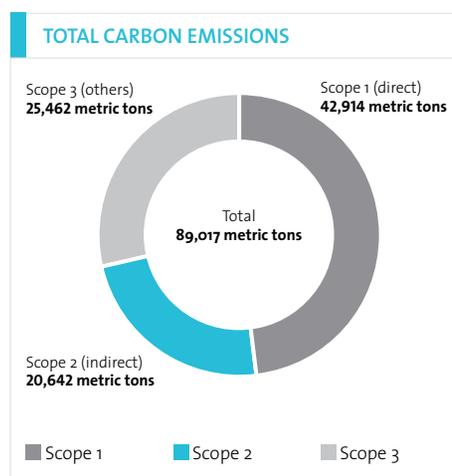
## 2011 ELECTRICITY, GAS, WATER, AND HAZARDOUS WASTE AT MAJOR SITES

Totals	2010 – Total	2010 – Normalized (per dollar [\$] or thousand [\$k] of sales)	2011 – Total	2011 – Normalized (per dollar [\$] or thousand [\$k] of sales)	Reduction
Electricity	41,462,057 kWh	0.018 kWh/\$ sales	43,275,843 kWh	0.017 kWh/\$ sales	5.5% decrease in kWh/\$ sales
Natural Gas	56,136,271,600 BTUs	24 BTUs/\$ sales	55,949,453,325 BTUs	22 BTUs/\$ sales	8.33% decrease in BTUs/\$ sales
Water	25,568,659 gallons	0.0109 gallons/\$ sales	28,838,509 gallons	0.0111 gallons/\$ sales	1.83% increase in gallons/\$ sales
Hazardous Waste	121,839 lbs shipped	0.052 lbs shipped/\$ sales	96,552 lbs shipped	0.037 lbs shipped/\$ sales	28.8% decrease in lbs shipped/\$ sales

Compared with the prior year, total electricity use at our major sites in 2011 increased by 1,800,000 kilowatt hours (kWh). Use per dollar of sales at these facilities dropped in the same timeframe by 5.5%. Electricity use at the largest facility, the company's HQ in Palo Alto, decreased by 5.4% from 2010 to 2011. Use per dollar of sales in Palo Alto has declined by 55% since 2007, with an even more impressive 67% reduction over the same period at the second largest facility in Salt Lake City. Out of the total electricity consumed by the Salt Lake City site, approximately 10% (2,067,000 kWh) was generated from renewable energy sources.

Natural gas use consumes resources and results in the production of CO<sub>2</sub>. Total natural gas use at these facilities decreased approximately 0.3% between 2010 and 2011 and when calculated per dollar of sales, it fell 8%. Natural gas use per dollar of sales at these facilities has dropped 38% since 2007.

Varian used approximately 28.4 million gallons of water at these facilities in 2011. Total usage at these facilities increased 3.2 million gallons over 2010. Water use for every dollar of sales has also increased slightly by 1.83%. Approximately 50% of this increase is due to a malfunctioning water processing unit that has been rectified.



### CARBON DISCLOSURE PROJECT\*

Varian continues to monitor emissions of greenhouse gas CO<sub>2</sub> resulting from use of natural gas, electricity, carbon-based fuels, and direct emissions of identified greenhouse gases and the impact these have on its carbon footprint. Total emissions at major sites have increased steadily over the last five years, though those emissions have been essentially flat for the past three years, and emissions at major sites per dollar of sales have dropped 31% since 2007. CO<sub>2</sub> emissions per dollar of sales fell 5% compared with the previous year for major sites.

In 2011, Varian completed and sent its second comprehensive submission to the Carbon Disclosure Project (CDP). This effort included CDP scope 1 and 2 emissions as well as inclusion of categories in scope 3, related to business air travel, offsite maintenance of sulfur hexafluoride (SF<sub>6</sub>) equipment, employee business travel by auto, and contractor-run employee shuttles.

Last year, we reported that reducing the use of SF<sub>6</sub>, a potent greenhouse gas which is used in some Varian products, would be a challenge. Emission of the gas occurs at several stages during the manufacture, operation, and maintenance of Varian's equipment. This past year, a better measurement technique for usage and emissions both in manufacturing and in the field, has led to the identification of several potential minimization projects for 2012.

\* The Carbon Disclosure Project can be accessed via <https://www.cdproject.net/en-US/Pages/HomePage.aspx>



## PROTECTING NATURAL RESOURCES

Many of Varian's sites carried out projects in 2011 to reduce the use of natural resources – such as energy (electrical and natural gas) consumption and related 'greenhouse gas' emissions, solid waste generation and recycling, and water – in the company's operations.

Varian's Facilities organization has been working for the last year on reconstruction of the Palo Alto multi-use building.



The newly constructed building at the company's Palo Alto headquarters is due to open in January 2013 and is designed to achieve LEED Silver status.

Initiatives used in this project are a good indicator of how companies can work to minimize the use of natural resources and maximize ongoing opportunities to help sustainability. The new building will house a customer visit room as well as a cafeteria, fitness center, and auditorium.

- Heating and cooling will be supplied through using excess capacity hot and chilled water from chillers and boilers in an adjacent building, rather than new dedicated equipment.
- All waste generated from the demolition of the old building was sent off-site to recyclers for re-use.
- Two electric vehicle chargers will be installed to allow for four vehicle charging stations.
- Bio-treatment units are to be installed to treat storm water runoff prior to discharge to the storm water drains.
- The roof is prepared for solar panels in the event they are to be installed at a later date.
- Bicycle parking and showers will be expanded.
- Indoor water use is expected to be reduced by 15%.
- Energy savings of 15% are also anticipated.
- Building materials (carpet, concrete, wood, etc) containing at least 15% recycled content will be used.



We are committed to initiatives that conserve resources both during the construction project and throughout the life of the facility. Construction does not need to mean destruction for the environment and we are always conscious of opportunities to focus on sustainability when planning projects such as this.”

Jeff Wright

VP, FACILITIES, VARIAN



## SUSTAINABILITY IN SALT LAKE CITY

Varian's Salt Lake City production facility employs a Six Sigma approach to its operation that manufactures some 22,000 X-ray tubes and thousands of digital image detectors each year. As Varian's most people-intensive manufacturing operation, it is also at the vanguard of the company's corporate social responsibility efforts, building sustainability into everything it does.

Key to this approach is an active and influential Green Team comprised of a cross-section of employees, which organizes events and provides ongoing encouragement for the facility to optimize its sustainability activities. In 2011, the Green Team hosted its first sustainability tour at the plant, welcoming local managers, directors, engineers, and MBA students, and showing them examples of the successful sustainability projects throughout the facility.



We're the world's leading independent supplier of X-ray tubes and we also believe whole heartedly in weaving sustainability into everything we do to help the environment, optimize our performance, and energize our people."

*Bob Kluge*

**PRESIDENT, X-RAY PRODUCTS, VARIAN**



The successful Green Team from Varian's Salt Lake City facility, which has won numerous awards for its environmentally friendly practices.



We're tremendously proud of our achievements. Everyone at the facility is incredibly supportive of the activities we organize and with their help we look forward to becoming even greener in the future."

*Jordan Larson*

**GREEN TEAM, VARIAN**

As well as being an active member of many local organizations such as the Utah Pollution Prevention Association, the Utah Recycling Alliance and Salt Lake City e2 Business, Varian is a Rocky Mountain Power Blue Sky Visionary Partner. The facility has won numerous plaudits, including energy efficiency and recycling awards from the Utah Office of Energy Development and the Utah Pollution Prevention Association.

In 2011, the Salt Lake City operation achieved:

- 2,067,600 kilowatt hours of renewable energy purchased from Rocky Mountain Power's Blue Sky Program (equivalent to having avoided 2,477,770 pounds of CO<sub>2</sub> emission, or 29,127 trees planted)
- 7,500,000 gallons of city water use avoided thanks to aggressive efforts to find new applications for on-site well water
- 65% of solid waste diverted from landfill while reducing overall waste by 58%
- Power consumption within 1% of 2009 levels despite 40% increase in X-Ray Products sales

The operation has also worked hard to weave sustainability into its supply chain and activities, saving an estimated \$1.1m through a number of packaging and storage initiatives.



## CELEBRATING EARTH DAY WITH A GREEN FAIR

Hundreds of Salt Lake City employees celebrated Earth Day by attending the third annual XRP Green Fair held on April 25th in the cafeteria. Each year the fair provides an opportunity for employees to learn about eco-friendly products and ideas for promoting a healthy and environmentally responsible life.

Local vendors such as Rocky Mountain Power, Costco, and Utah State University handed out pamphlets on where to recycle glass, electronics and paint. There was information on alternative energy, organic food, organic beef, water conservation, and compressed natural gas (CNG) conversion for automobiles.

### RAISING AWARENESS

Additionally, the Green Team raffled off prizes promoting environmentally friendly living such as compact fluorescent light bulbs, gardening tools and flower bulbs. "We hope to inspire awareness of how our everyday lives, and the way we do business, impact our environment," commented JC Smith, Environmental Manager at Varian's Salt Lake City facility.

**601 tons**  
*of waste electrical and  
electronic equipment recycled  
in Europe in 2011*

## MEETING EUROPEAN UNION REQUIREMENTS

The European Union has been extremely active in the area of environmental product compliance in recent years. The EU's RoHS, REACH, and WEEE laws relate to the disclosure of and restrictions on the use of toxic materials, as well as end-of-life recycling of products (601 tons of WEEE – Waste Electrical and Electronic Equipment – was recycled in Europe in 2011).

Varian has established cross-functional teams comprising manufacturing, engineering, procurement, component engineering, service, and environmental affairs to evaluate and manage the impact of these regulations, to ensure that Varian remains in compliance and product road maps incorporate the new requirements. A core team was established and has been actively developing business processes, and computer system automation and integration, to assist with compliance in this area. In addition, a Product Environmental Compliance team was created to manage these issues.

While the RoHS (Restriction of Hazardous Substances) compliance date for medical devices is July 2014, Varian is currently targeting compliance by July 2013 to allow time in the event of unresolved compliance issues. "We expect all our products to be compliant by July 2014 and we are well on course to ensuring this," says Gottfried Navratil, WEEE manager, Europe.



Our goal is to reduce, re-use and recycle. Our plant has made significant strides toward those goals, and a part of that strategy is to help educate employees on ways to reduce their environmental footprint and have a positive impact on our planet."

JC Smith

**ENVIRONMENTAL MANAGER, X-RAY  
PRODUCTS, VARIAN**



## COLLEAGUES AND COMMUNITIES

“

Varian's people share a mission to save and protect lives. They tend to stay with us for the long haul and want to make a difference along the way.”

Dow Wilson

CHIEF OPERATING OFFICER, VARIAN

**4 out of 10**

of Varian's corporate officers  
are women.

There are so many long-service anniversaries at Varian that only landmarks of 20 years' service and upwards are announced as anything unusual within the company.

Varian people are generally in for the long haul and a key reason for this is the rewarding environment a shared mission to help save an additional 100,000 lives annually can offer.

*With 6,100 people globally, a growing number of them based outside the U.S., Varian's workforce is internationally focused with cross-functional multinational teams and intercontinental reporting lines.*

In recent times, Varian has introduced several initiatives to reinforce its commitment to its people: a worldwide online training resource has been introduced so that all employees have the proper training and certifications to do their jobs correctly and bring consistency to continuous education throughout the company. A global rollout of the Compass system has brought rigor to the goal-setting and continuous performance assessment, and an employee survey has been conducted across the organization to measure employees' engagement.

In this section, we look in greater detail at these and other initiatives, as well as examining progress in the company's charitable giving activities.



## VARIAN EMPLOYEES FIND THEIR VOICE

Toward the end of 2011 Varian conducted a global employee engagement survey which asked 63 questions in 12 categories. The “Your Voice” survey was designed to measure the extent to which employees believe Varian’s business climate is consistent with the company’s strategic direction and core values and the extent to which employees are engaged and enthusiastic about their work at Varian. The survey was translated into 12 languages and over 3,800 employees, approximately 70% of Varian’s workforce, responded.

*When asked if they enjoy working for Varian, 81% of participating employees responded favourably, compared to 75% in similar surveys for other companies.*

In response to the open-ended question “What do you like best about working at Varian?” employees commented:

- “I’m proud of the fact that I’m working toward a product that helps save lives. At least in our team, the team members respect each other and value the work and effort that we put in. The work culture is very fair and personal commitments are also honored.”
- “We have the market position, technology platform, customer relationships, global reach, and financial position to make a real difference in the lives of patients who must be treated for cancer. We have many extremely talented, passionate employees who want to do more and be more.”
- “Great products, great customer support, and excellent reputation in the radiotherapy field! Friendly employees and good working environment and atmosphere in the office. The company and management is fair, kind, and responsive to employees.”
- “The fact that what we do on a daily basis is helping to save people’s lives. This company has always been driven to do the right thing for our customers and patients. We are the best in the world at providing solutions to the Radiation Oncology community. Our Business has grown remarkably over the last 10 years, and we need to be proud of that. I like the fact that we can talk with senior executive managers at most anytime.”

There were, of course, areas identified that could improve the company climate. “Specifically, employees want more and better recognition, rewards and advancement opportunities, and would like to see more effective cooperation between departments and more resources devoted to getting the work done,” says Wendy Scott, Senior VP of Human Resources. “We learned a lot from this survey and we’re taking heed of these results as we determine follow-up actions.”



The results showed that company-wide there is tremendous pride in Varian and employees feel that they understand how their work impacts the company’s mission.”

Wendy Scott

**SENIOR VP, HUMAN  
RESOURCES, VARIAN**



| CEO Tim Guertin with fellow employees.





This essay contest inspires patients with the stories of survivors. We were compelled to support a program that impacts cancer patients and survivors.”

*Spencer Sias*

**VP, CORPORATE  
COMMUNICATIONS AND  
INVESTOR RELATIONS, VARIAN**



We are extremely grateful to Varian Medical Systems for helping the Andre Sobel River of Life Foundation to create opportunities for young survivors.”

*Valerie Sobel*

**FOUNDER AND PRESIDENT, THE ANDRE  
SOBEL RIVER OF LIFE FOUNDATION**

## VARIAN SPONSORS NATIONAL ESSAY CONTEST FOR TEEN SURVIVORS OF PEDIATRIC CANCER

For the last two years, Varian has sponsored the Andre Sobel River of Life Foundation's national essay contest for teen survivors of pediatric cancer. The essay contest was launched in memory of Andre Sobel, the teenage son of Valerie Sobel, founder and president of the Andre Sobel River of Life Foundation. Andre lost his life to a brain tumor at the age of 19 and the contest is a way to honor Andre's memory, and his love for literature and writing.

More than 100 teens and young people entered the contest as a way to express themselves about the experience of battling cancer and inspire others in the same circumstances. This year's top contest winners were a pair of best friends, Katie Fitzgerald and Miranda Coleman, who came up with a unique way to document their fear, struggles, and the humor that they discovered they needed from each other through Katie's battle with cancer. Their companion essays were written as an insightful radio segment and heartfelt letter from Miranda to Katie. They were awarded a \$5,000 prize for their entry.

- Partners in Giving is an annual campaign run by Varian that gives employees in the U.S. the opportunity to support their favorite charities, either through one-time contributions or through payroll deduction, and to obtain matching dollars from Varian to support their chosen charities. In Varian's fiscal year 2011, employees raised \$322,000 and this was doubled to \$645,000 with Varian's matching.

In addition to the official Partners in Giving campaign, Varian also offered nearly \$1.4 million in charitable grants during the year, as well as \$75,235 in educational grants.

## FLOODING IN THAILAND

In November 2011, Thailand suffered its worst flooding since 1942 and Varian's local field service personnel worked tirelessly to help customers cope with the aftermath. Among those hospitals affected was Chulabhorn Cancer Center, Bangkok, where local Varian service staff prepared for the flood by disconnecting a recently installed TrueBeam machine – the first in Thailand and Southeast Asia. They also disconnected an Acuity imager and all computers, and moved them to higher floors within the center. A barrier was built around the hospital to prevent waters from entering the lobby and getting to the basement where the Varian machines are located. The barrier kept water from entering the center.

“Getting to the site was a challenge because it was a virtual island,” said Chatri Hutakarn, service coordinator for field operations in Thailand. “Our people had to ride a motorcycle taxi, which was the only feasible mode of transportation on an elevated highway that had become a parking lot. From there, they had to hitch a ride on an army truck and wade through flooded waters for half a kilometer to the hospital.” In mid-November, Varian representatives returned to restore operations so the hospital could resume treating patients. Similar emergency procedures took place for several other customers in the flood-stricken country.



| Chulabhorn Hospital, Bangkok.



| Bangkok during the floods.



## PUNE EMPLOYEES PARTICIPATE IN CYBERSPORTS

Varian employees working in Pune, India, participated in Cybersports 2012, an event that promotes sportsmanship and harmony among corporations located in Magarpatta City, where Varian's Pune office is located. Despite the name Cybersports, the event consists of real teams actually competing in games like football, basketball, cricket, and volleyball. Twelve companies took part in the event that started in mid-February and ended in early April.

"The highlight of Cybersports was our volleyball team making it to the quarterfinals for the first time ever," she said. "In previous years, the team was left dejected and desolate after losing in the qualifying rounds and not advancing in the competition. However, this year the team came together, put a strategy in place and followed it religiously. Their hard work and practice paid off."



We have participated in Cybersports for the last three years. We have mainly played cricket, volleyball, and carom (a game similar to billiards and table shuffleboard), but this year we added table tennis and badminton to our activities."

*Richa Fernandes*

**ONCOLOGY SYSTEMS ENGINEERING, VARIAN**



Members of the winning Varian Iron Man team.

## IRON MEN AND WOMEN

Six teams of men and women from Varian UK took part in a team Iron Man event for charity and raised more than £5,000 in the process.

The iron man triathlon distances of a 2.4 mile swim, followed by a 112 mile bike ride, and a 26.2 marathon distance run are usually beyond all but the super-fit, but UK manufacturing manager Andy Partridge came up with the idea of turning it into a team event to raise funds for a local cancer support charity.

Volunteers quickly came forward and six teams from across the company completed the race on 14 July, splitting the distances between the four members of each team.

"The bike route was running in water after weeks of torrential rain and the off-road run was on fields which were completely waterlogged," said Partridge. "Despite that every competitor took part in all three stages and completed the race. It was a really tough test that required a great deal of training but everyone I've spoken to found it exceptionally rewarding and a great personal and team achievement."



Varian employees working in Pune, India, participated in Cybersports 2012, an event that promotes sportsmanship and harmony among corporations located in Magarpatta City.

**Right to left standing** – Ravi Subramanyam, Prashanth Rao, Masood Alam, Anil Saran (Captain), Vishal Nerkar, Vaibhav Bodhankar, Jambulingam Sarangapani.

**Left to right sitting** – Anuj Kumar, Saber Mohammed, Girvar Singh. (not in pic) Prashant Chachare and Mandar Malankar.



## GRI INDEX

This report is aligned with the Global Reporting Initiative (GRI) G3 Sustainability Reporting Guidelines released in October 2006. To locate the elements and information contained within the guidelines, please use the index below. For a detailed explanation of the indicators, visit the GRI website [www.globalreporting.org](http://www.globalreporting.org)

As this is a second report, we have made a deliberate effort to be as transparent as possible across the full range of GRI G3 indicators, but also recognize that there remains an opportunity to capture more in-depth and granular data over time.

Indicator	Description	References	Page number
<b>1. STRATEGY AND ANALYSIS</b>			
1.1	Statement from the CEO or Chairman of the Supervisory Board	A message from our CEO	p. 03
1.2	Key sustainable impacts, risks, and opportunities	Throughout report	p. 01 – 27
<b>2. ORGANIZATIONAL PROFILE</b>			
2.1	Name of the company	Cover	Cover page
2.2	Primary brands, products, and/or services	Our business units	p. 04
2.3	Business areas and operational structure	Our business units	p. 04
2.4	Location of company's headquarters	Our business units, back cover	p. 04, back cover
2.5	Countries in which the organization's main operations are located	Our business units, Major sites	p. 04
2.6	Nature of ownership	Sustainability governance, and <a href="http://www.varian.com/investors">www.varian.com/investors</a> under Investor Relations. View Investor Fact Sheet	p. 06, online
2.7	Markets	Health access and outcomes, A local presence, Addressing the needs of Africa, Advisory boards established in India and China, Training for the future, and Spearheading the proton rollout	p. 09 – 12
2.8	Scale of the company	Our business units, Major sites, and <a href="http://www.varian.com/us/corporate/our_company">www.varian.com/us/corporate/our_company</a>	p. 04, online
2.10	Awards	Environment: Protecting natural resources (ISO 14001), Sustainability in Salt Lake City. In addition, Energy Resource Steward award from Rocky Mountain Power, US; 2011; Business award for Environment and Economic sustainability from the Salt Lake City mayor; and 2P – Pollution Prevention award from Utah's P2 Association	p. 19, 20
<b>3. REPORT PARAMETERS</b>			
3.1	Reporting period	Our sustainability report 2012	p. 02
3.3	Reporting cycle	Our sustainability report 2012	p. 02
3.4	Contact point for questions regarding the report	A message from our CEO (email)	p. 03
3.5	Process for defining report content	Our sustainability report 2012	p. 02
3.6	Limits of the reporting procedure	Our sustainability report 2012	p. 02
3.7	Limits of the report scope or boundary	not applicable	
3.8	Basis for reporting on joint ventures and other entities	not applicable	
3.9	Data capture techniques	Throughout report. Please review Varian's submission to the Carbon Disclosure Project for further details ( <a href="http://www.cdproject.net">www.cdproject.net</a> > Varian 2011 Investor submission)	p. 01 – 27
3.10	Explanation of any re-statements of information	not applicable	
3.11	Signification changes from previous report	not applicable	
3.12	Index highlighting GRI Standard Disclosures in report	GRI Index	p. 26 – 27
<b>4. GOVERNANCE, COMMITMENTS AND ENGAGEMENT</b>			
4.1	Governance structure	Sustainability governance, and <a href="http://www.varian.com/investors">www.varian.com/investors</a> under Investor Relations	p. 06, online
4.2	Independence of the Supervisory Board Chairman	Sustainability governance, and <a href="http://www.varian.com/investors">www.varian.com/investors</a> under Investor Relations	p. 06, online
4.3	Governance body and/or independent members of management	Sustainability governance, and <a href="http://www.varian.com/investors">www.varian.com/investors</a> under Investor Relations	p. 06, online
4.4	Mechanisms for stakeholders to provide recommendations or direction to the highest governance body	Sustainability governance, and <a href="http://www.varian.com/investors">www.varian.com/investors</a> under Investor Relations	p. 06, online



Indicator	Description	References	Page number
4.6	Mechanisms in place for the governance bodies to ensure avoidance of conflicts of interest	Sustainability governance, and <a href="http://www.varian.com/investors">www.varian.com/investors</a> under Investor Relations	p. 06, online
4.7	Expertise of the governance bodies in sustainability issues	Sustainability governance	p. 06
4.8	Mission statements, company values and codes of conduct	<a href="http://www.varian.com/investors">www.varian.com/investors</a> under Investor Relations, Corporate Governance – the Code of Business Ethics is a downloadable PDF	online
4.14	List of stakeholder groups	not available	
4.15	Process for identifying stakeholders	not available	
<b>5. PERFORMANCE INDICATORS</b>			
<b>ECONOMIC</b>			
ECONOMIC PERFORMANCE			
EC1	Economic value generated and distributed	Major sites, Sustainability goals Colleagues and communities	p. 04 – 05 p. 22 – 25
INDIRECT ECONOMIC IMPACTS			
EC8	Infrastructure investments and services provided for public benefit	Health access and outcomes Colleagues and communities	p. 07 – 12 p. 22 – 25
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EN3	Direct energy consumption by primary energy source	Environment, 2011 Electricity, gas, water, and hazardous waste	p. 18
EN4	Indirect energy consumption by primary source	Environment, 2011 Electricity, gas, water, and hazardous waste	p. 18
EN5	Energy saved due to conservation and efficiency improvements	Environment, 2011 Electricity, gas, water, and hazardous waste	p. 17, 18
WATER			
EN8	Total water withdrawal by source	Environment, 2011 Electricity, gas, water, and hazardous waste	p. 18
EMISSIONS, EFFLUENTS AND WASTE			
EN16	Total direct and indirect greenhouse gas emissions by weight	Environment, 2011 Electricity, gas, water, and hazardous waste	p. 18
EN17	Other relevant indirect greenhouse gas emissions by weight	Environment, 2011 Electricity, gas, water, and hazardous waste	p. 18
EN18	Initiatives to reduce greenhouse gas emissions and reductions achieved	Environment, 2011 Electricity, gas, water, and hazardous waste	p. 17 – 21
EN22	Total weight of waste by type and disposal method	Environment, 2011 Electricity, gas, water, and hazardous waste	p. 18
PRODUCTS AND SERVICES			
EN26	Initiatives to mitigate environmental impacts of products and services	Environment, Meeting European Union requirements	p. 21
<b>SOCIAL: LABOR PRACTICES AND DECENT WORK</b>			
EMPLOYMENT			
LA1	Breakdown of workforce by employment type and region	Introduction, Major sites. In addition, Varian employs contingent workers which make up 13% of the total population, broken down into regions: North America 10% and Europe 3%. Regular employees make up the other 87% and are broken down to North America 52%, Europe 22%, Asia 11% and Australasia and Other with 1% each	p. 0 4
OCCUPATIONAL HEALTH AND SAFETY			
LA7	Injuries, absentee rates and work-related fatalities	Safety and responsibility, An ongoing commitment to employee health and safety	p. 16
LA8	Education, training, counseling, prevention, and risk-control programs for serious diseases	Colleagues and communities	p. 22 – 25
DIVERSITY AND EQUAL OPPORTUNITY			
LA13	Composition of senior management and employee structure by gender, age group, minority group membership, and other indicators of diversity	Colleagues and communities, Varian employees find their “voice”. In addition, female employees make up 24% and are broken down to North America 14%, Europe 6%, Asia 3% and Australasia and Other with less than 1% each. There are 9% of the contingent population that are not defined by gender.	p. 22 and 23
<b>SOCIAL: PRODUCT RESPONSIBILITY</b>			
CUSTOMER HEALTH AND SAFETY			
PR1	Product life cycle stages for which health and safety impacts are assessed	Safety and responsibility, Safety at the core, Enhancing safety	p. 13 – 15



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Varian Medical Systems focuses energy on saving lives. By partnering with customers and others, the people of Varian develop leading solutions for advancing cancer treatment, radiosurgery, X-ray imaging, and security.