



Imagine

A World Without Fear of Cancer

Our Commitment to Sustainability

Varian's Sustainability Report details the company's initiatives and achievements in extending access to cancer care, protecting resources and helping to save lives. The report has been produced as part of a wider company effort to continually improve sustainability performance and transparency.



<https://www.varian.com/about-varian/corporate-citizenship>

Imagine a World Without Fear of Cancer

At Varian, we don't just imagine a better world – we take a proactive role turning promise into reality. As a global leader in developing and delivering multidisciplinary, integrated cancer care solutions, we are focused on shaping the future of cancer care and creating a world without fear of cancer.

Our mission extends further than achieving new victories in the fight against cancer. We continuously strive to become better corporate citizens and uphold the highest standards as we:

- Put the patient and provider at the center of everything we do, and provide our customers with the most advanced technologies for their patients.
- Extend access to advanced care around the world.
- Optimize safety.
- Make a positive impact in the communities and environments where we operate.

Key to Our Approach

- Community Investment – We are dedicated to actively engaging with our communities and inspiring our employees and others to give back.
- Trust and Integrity – Our company ensures the highest level of accountability and transparency throughout the entire business, from supply chain to cybersecurity to employee health and safety.
- Environmental Sustainability – We strive to ensure we are treating our environment and resources with the utmost care and respect.
- Workplace Culture – Varian prides itself on fostering a diverse and inclusive environment that offers an innovative, creative and safe place for all to work. We also focus on community engagement, with volunteer activities that benefit many organizations and people.

Contents

Overview

- 03 About Varian
- 04 Our Year at a Glance

Extending Advanced Care

- 05 The Future of Cancer Care
- 05 Redefining State-of-the-Art
- 06 Acquiring New Approaches to Cancer Care
- 06 Expanding Global Access
- 06 New Forays Into Radiation Treatment
- 08 Access to Care Program
- 09 Cybersecurity: Safeguarding Patient Information

Operational Excellence

- 10 Environmental Highlights 2018
- 10 2018 HG Emissions Data
- 11 Driving Progress Against Key Environmental Goals
- 12 Supply Chain Sustainability
- 13 Excellence in Health and Safety
- 14 Varian's Culture
- 15 Recognizing Success, Focusing on Employees
- 16 Varian Volunteers

Governance

- 17 Governance
- 18 About Our Reporting

Imagine a World Without
Fear of Cancer
(We Do)

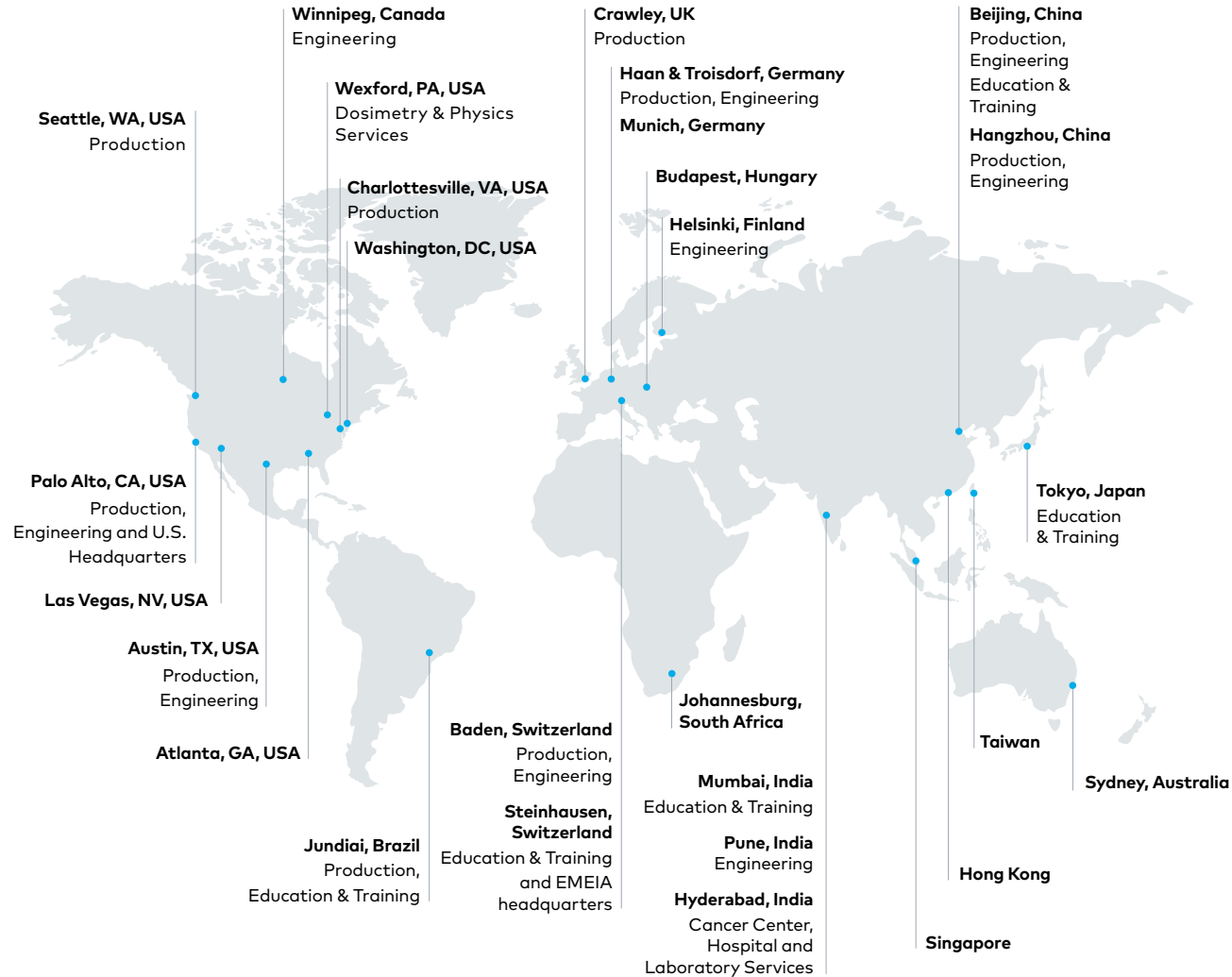


About Varian

At Varian, we envision a world without fear of cancer. For more than 70 years, we have developed, built and delivered innovative cancer care technologies and solutions for our clinical partners around the globe to help them treat millions of patients each year.

Our 10,000 employees around the world keep patients and our clinical partners at the center of our thinking as we power new victories in cancer care. Because, for cancer patients everywhere, their fight is our fight.

Key Global Sites



Our Values

By working together to achieve new victories against cancer, we make powerful change happen. Varian's values connect us to one another and to the mission we all share.

Customers First

We put customers first. Our customers trust us to deliver solutions, products, services and performance that enable them to do vital work for people around the world.

Partner for Life

We are united by purpose to help save lives. We collaborate with one another and our customers to make patient care more effective, affordable and accessible everywhere. We serve all parts of the world with equal care.

Inspired Innovation


We turn great ideas into practical realities. We have always been inspired and energized by the challenge of finding new and better ways to do things. Innovation drives our success.

Doing Well by Doing the Right Thing

We grow our business while acting with integrity. Each of us is responsible for meeting the highest standards of ethics, quality, compliance and safety. We care for our customers, our colleagues and our communities.

 **10,000**
employees

 **12**
production facilities in
North America, Europe,
South America and China

 **> 70**
sales and
support offices
around the world

Our Year at a Glance



Strong collaboration with healthcare authorities and providers to advance care for patients globally.



\$2.9BN generated revenues in FY18 (11% year-on-year increase).



8,000 medical linear accelerators installed globally (we grew our installed base by 224 units in FY18).



Record orders for Halcyon™ system, which launched in 2017.



30% revenue growth in TrueBeam®, designed for reduced treatment times and increased patient throughput.



Acquisition of companies and technologies strengthened our offerings for customers and their patients.



5% growth of our software division as our customer base sought out a fully integrated solution.



Cybersecurity remained a top priority alongside quality and patient safety.



Awarded a B score in the CDP programs for climate change and water stewardship.



23% reduction achieved in greenhouse gases per dollar sales from a 2010 baseline.



Continued to build our inclusive workplace environment and embed our cultural beliefs.



Up to \$10K per person per year in corporate dollars given to charity as we match participating U.S. employees' giving through corporate fund matching.



One of America's Most JUST Companies in 2018 – *Forbes* and JUST Capital.

Our Cultural Beliefs

&Beat Cancer

I find new ways to expand Varian's role in helping people beat cancer.

(Inspire People)

I am passionate about our mission, which inspires me to develop myself and those around me.

*Act as One

I build partnerships across organizations and geographies to deliver Varian's key results.

Engage Now ●●●

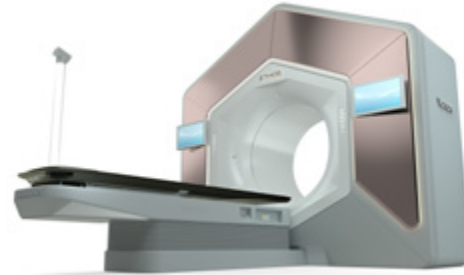
I listen actively, speak fearlessly and include diverse perspectives to make better decisions.

Count on Me =

I take accountability to achieve Varian's key results and understand what I need to do.

Extending Advanced Care

Imagine a world without fear of cancer. We do. Achieving our vision may sound like science fiction to some, but many of today's advances make it entirely possible to move from promise to reality.



Ethos™ therapy

Cancer is the second leading cause of death responsible for 1 in 6 deaths globally. The global cancer burden continues to grow, with an anticipated 24.6 million new cases by the year 2030. At Varian, we remain committed to developing and delivering simpler, efficient and more advanced technologies to help the world in the fight against cancer. We believe that with the right solutions and multidisciplinary approach we can help combat some of the challenges associated with cancer. We have developed an "Intelligent Cancer Care™" approach that harnesses advanced technologies like artificial intelligence, machine learning and data analytics to ensure coordination and connectivity at every point of care.

The Future of Cancer Care

To meet the challenge of the growing cancer burden, Varian is broadening its approach to treatment through multiple disciplines, with an added focus on "big data." Our strategy is to put the patient and provider at the center of our thinking and create an ecosystem built on three key pillars:

- 1 Intelligent treatment delivery through effective decision support tools.
- 2 Bringing knowledge-based medicine to the point of care.
- 3 Analytics – obtaining actionable insights from aggregated data.

Our Intelligent Cancer Care is a more advanced, information-driven approach to cancer care that helps power new victories.

Redefining State-of-the-Art

Varian's advances in radiation therapy are helping to redefine "state-of-the-art" in cancer care. In 2019, we launched Ethos™ therapy, an Adaptive Intelligence™ solution, which offers an artificial intelligence (AI)-driven holistic technology designed to increase the capability, flexibility and efficiency of radiotherapy. Through this exciting new therapy, the patient receives an entire adaptive treatment – from setup through treatment delivery – within 15 minutes. Adaptive therapy allows for a personalized treatment plan that can be modified daily, based on tumor and anatomical changes, enabling better targeting, reduction of the dose received by healthy tissue and the potential improvement of overall outcomes.

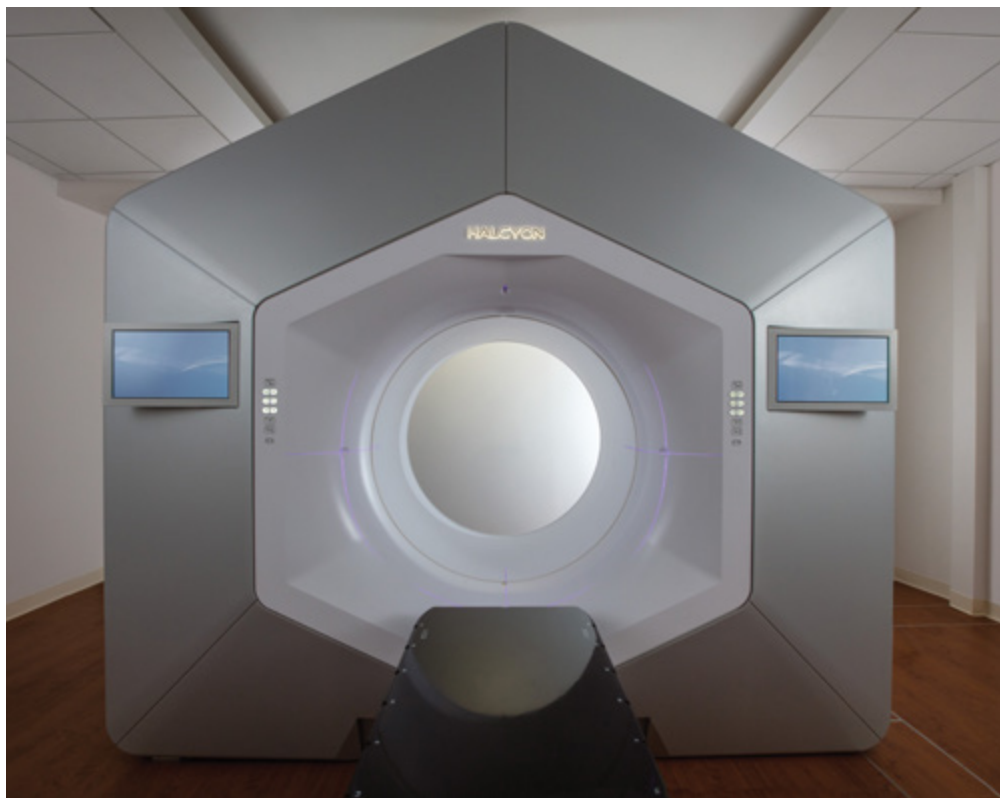
Ethos therapy is the first AI-powered personalized cancer care delivery system in radiation oncology. To support the advance of adaptive technology, we formed the Adaptive Intelligence Consortium in 2019, gathering clinicians and scientists from leading cancer clinics across the globe to lead trials and build protocols for the Ethos therapy.

Intelligent Cancer Care™ – a more advanced, information-driven approach to cancer care.



Technology
advances are
shaping the future
of cancer care.

Extending Advanced Care continued



Halcyon™

Acquiring New Approaches to Cancer Care

Several acquisitions marked Varian's entrance into the fast-growing interventional oncology market, enabling us to expand our product offerings and accelerate access to cancer care.

Interventional Oncology Innovations

As part of our portfolio expansion, we acquired two interventional oncology companies in 2019: Endocare, a leading provider of cryotherapy hardware and software solutions; and Alicon, a leader in embolic therapy based in China for treating liver cancer. These acquisitions, which also include the active research and development

(R&D) programs of both teams in Austin, Texas (Endocare) and Hangzhou, China (Alicon), will help Varian provide customers and their patients with a wider range of cancer care solutions.

Endocare's lead product is the Cryocare CS™ system, a fully integrated placement and treatment system designed to simplify cryotherapy for the minimally invasive treatment of a wide range of cancers, including prostate, kidney and lung, as well as liver metastases and palliative intervention. Alicon's lead product is Caligel, which are calibrated resorbable gelform particles commonly used as an embolic agent in China for treating liver cancer.

In addition, Varian acquired Boston Scientific's portfolio of microsphere and bland embolic bead products for treating arteriovenous malformations and hypervascular tumors.

New Partnerships for Care

In India, Varian acquired privately held Cancer Treatment Services International (CTSI), which operates the American Oncology Institute in Hyderabad and 10 multidisciplinary cancer centers across India, as well as a U.S.-based Oncology Solutions division. This transaction will allow for new partnerships globally to deliver world-class care in developed and emerging markets.

Patient-Centered Care: Elevating the Patient Voice

Our acquisition of privately held software company Noona Healthcare in October 2018 is another step on our journey to elevate the patient voice, adding smart mobile technology to Varian's cloud-based software portfolio. The Noona app is used to engage patients, collect patient-reported outcomes (PROs) data, manage patient communications and enable clinical studies that will test treatment efficacy. Capturing real-time PROs will allow oncologists to monitor and proactively manage their patients' symptoms, while sustained engagement with patients may help clinicians detect early signs of potential disease recurrence or progression.

New Forays Into Radiation Treatment

Cardiac radioablation, the use of radiation in the heart, is an innovative approach that could represent a paradigm shift for the treatment of arrhythmia, among other cardiac conditions. In 2019, we acquired CyberHeart, a company with intellectual property (IP) covering cardiac radioablation. Early positive clinical evidence suggests that cardiac radioablation has the potential to offer hope to patients with intractable cardiac arrhythmias.

Expanding Global Access

Radiotherapy is an indispensable and highly cost-effective pillar of cancer care – more than 50% of patients require this form of treatment – yet low-income and middle-income countries still have only 5% of global radiotherapy resources. By building an ecosystem of cost-effective products and services, our goal is to help address this imbalance and impact more cancer patients, regardless of where they are in the world.

Accelerating Access to Treatment

Halcyon™ is specifically designed for cancer treatment in resource-limited settings. The Halcyon system simplifies and enhances virtually every aspect of planning and delivering radiation therapy, improving patient comfort and shortening treatments significantly without sacrificing quality. Halcyon is also easy for operators to learn; treatments can be completed with nine simple, machine-guided push-button steps.



Extending Advanced Care continued

Partnering to Increase Access to Advanced Care

Collaborations and partnerships are key to addressing the growing global incidence of cancer and the disparity in access to treatment between developed and emerging markets. Varian's goal is to increase the number of patients worldwide touched with our technology from 3 million today to 6 million by 2022.

We announced the signing of a three-year framework agreement with Tata Trusts in India that will see the installation of radiation therapy treatment systems across the country. The agreement is part of a program undertaken by Tata Trusts focused on delivering standardized and affordable care closer to patients' homes, including in rural areas where many people do not have the financial means to access existing care options.

We are focused on extending our expertise in radiation therapy to proton therapy.



ProBeam®360°

Equipping Treatment Centers With Advanced Technology

We are focused on extending our expertise in radiation therapy to proton therapy – to expand its clinical adoption and reduce the cost of treatment per patient. Proton therapy has been shown to spare more healthy tissue when compared to conventional treatments, significantly reducing side effects and improving patient quality of life.

Varian's ProBeam®360° single-room compact proton therapy system uses the same high-power cyclotron unit that is used in cancer centers conducting pioneering research. Cyclotron installations have recently been completed at centers in Thailand and Singapore.

In New York City, the state's first proton therapy center has opened in East Harlem, equipped with ProBeam. Varian has also been selected to equip two proton therapy centers in Norway with

the ProBeam multi-room system, which allows cancer centers to customize the system to meet clinical, research and capacity needs.

Varian's Bravos™ afterloader system is another innovation enabling centers like the Groote Schuur Hospital in Cape Town, South Africa, to deliver high-dose-rate brachytherapy. This involves delivering radiotherapy by temporarily placing a tiny radioactive source directly into the tumor.



Access to Care Program

Experience has taught us that providing equipment is only part of the solution to increasing access to cancer care globally. For every installation of cancer therapy equipment in a hospital, highly trained technical personnel and specialized clinicians are required to treat patients.

Nigeria



In Lagos, Nigeria, as well as equipping the NSIA-LUTH Cancer Treatment Centre with one Halcyon treatment system and two VitalBeam® radiotherapy systems, we will also be deploying a training center to support human capacity development in radiotherapy across the subregion. This is the first of its kind in West Africa.

South Africa



In Cape Town, South Africa, Varian offers advanced education courses in collaboration with Groote Schuur Hospital. Several teams from Zimbabwe, Ghana, Ethiopia and Libya have successfully attended these courses, facilitating a better standard of care on the continent.

Denmark



As part of establishing a proton therapy center at the Danish Center for Particle Therapy at Aarhus University Hospital, Denmark, staff participated in Varian training programs in Baltimore, Cincinnati and at Paul Scherrer Institute, Switzerland, and received training in Aarhus from Varian's application specialists. In between the clinical commissioning of equipment, staff trained on procedures and performed end-to-end practice workflows in the treatment room.

India



In India, Varian's educational partnership with Reliance Group, one of India's leading hospital groups, is providing greater access to training in advanced radiotherapy and radiosurgery techniques.

Azi's Story



Azadeh Afifi (Azi) was diagnosed with stage 1 breast cancer in December 2016, when she was 36 years old. Following an immediate treatment plan, including a lumpectomy a month after diagnosis and eight sessions of intense chemotherapy, Azi prepared for radiation therapy. "The radiation treatment on the machine was the best part, because you always compare to the chemo," Azi said.

"The radiation was the opposite. You know, your hair starts growing out, and you just become yourself again. So, everything about that part of the journey was amazing, actually."


After 36 days of radiation on a Varian system, Azi completed her treatment and has since been in remission. "Following treatment, I wanted to know who the people were behind the technology,"

said Azi. "I feel so thankful to have had access to the greatest medical care and technology in the world."

Azi is just one example of how Varian, along with so many talented medical providers, is helping people beat cancer. In her own words: "When it gets hard and challenging at work, think of me and my story. I am so thankful for what you do."

"Raw emotions – and immediate fear – are all too common for individuals who are newly diagnosed, regardless of the stage."

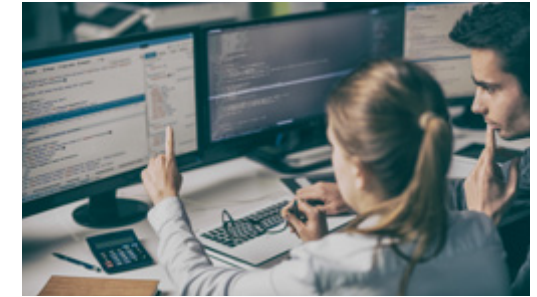
Azi Afifi



**True cybersecurity
can only exist when
there is effective
collaboration.**

Cybersecurity: Safeguarding Patient Information

Today, vast amounts of sensitive patient information and data reside in the modern healthcare provider network. These are increasingly targeted by hackers and other criminals seeking to exploit weaknesses.



Varian's products and services are developed with a focus on quality and patient safety. The assumption that products operate inside a safe and secure IT perimeter – with information access restricted to authorized users only – is no longer valid. This is why cybersecurity has been a top priority for Varian and others in the healthcare sector.

For example, data analytics and cloud-based, mobile solutions offer huge promise for human-centered cancer care, unlocking useful decision support tools for physicians and patients. Our Noona software app allows patients to actively engage with their cancer care team and report outcomes, providing oncologists with the potential to analyze data and change research and treatment protocols in real time. Maintaining the integrity of information is of paramount importance in everything we do, and Noona is certified to ISO 27001, the internationally recognized security certification.

The company continuously invests in its robust cybersecurity program. Our information security office is staffed by employees from our product engineering and IT departments. The teams collaborate with cybersecurity experts and IT stakeholders from customer sites to identify risks and plan security enhancements. Varian's cybersecurity program is monitored to the utmost degree of protection. Close collaboration between the company, customers, and outside security experts is paramount.

In addition to safeguarding patient information, Varian considers the security and privacy of Varian employees' personal information equally as important. Our processes are designed to ensure we only collect and provide access to personal information for valid, legal, business-related reasons.

Like patient safety, true cybersecurity can only exist when there is effective collaboration between vendors and healthcare providers. Varian takes this issue extremely seriously. We look forward to working with others across the healthcare and technology industry to minimize the danger of data security breaches and protect patients in every way.

Operational Excellence

Environmental Highlights 2018

At Varian, we are committed to environmental sustainability. Our environment-first mindset dates back to 1992, when we began in earnest to track company energy and water use, greenhouse gas (GHG) emissions and hazardous waste generation.

Nearly a decade ago, we set key performance indicators (KPIs) to be achieved by 2020. We are proud that since 2010, Varian has achieved:

23% reduction in carbon footprint/GHG per dollar sales

23% reduction in hazardous waste generated per dollar sales

53% reduction in natural gas use per dollar sales

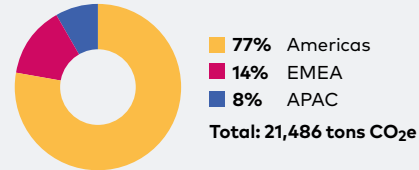
We continue to monitor our impact across all our locations worldwide, with the goal of identifying potential areas for improvement. As of 2018, our key factories in China and the United Kingdom are ISO 14001 certified, as are our operations in Italy and Spain.

From 2017 to 2018, Varian's total Scope 1 and 2 GHG emissions remained relatively flat. While we saw a slight decrease in Scope 2 GHG emissions driven by green power purchases in Germany, this was offset by a slight increase in Scope 1 GHG emissions from increased SF₆ use in manufacturing.

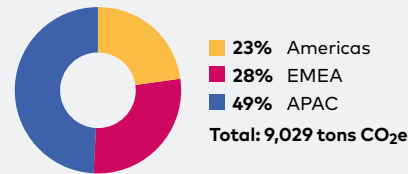
In our ninth year of reporting via the CDP, Varian achieved a "B" score in the climate and water programs.

2018 GHG Emissions Data

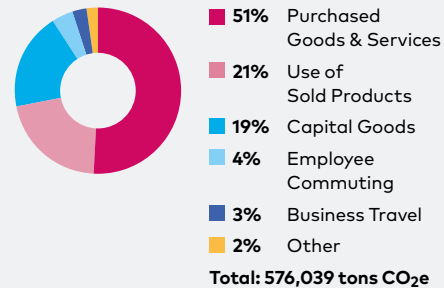
2018 Scope 1 GHG Emissions by Region



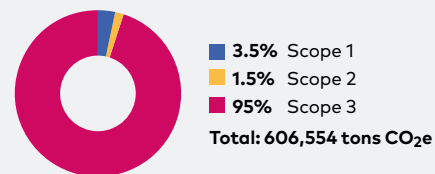
2018 Scope 2 (Market-Based) GHG Emissions by Region¹



2018 Scope 3 GHG Emissions by Category²



Total 2018 GHG Emissions by Scope



Sustainability Ratings and Rankings

- **CDP.** In 2019 – Varian's ninth year submitting information to CDP – we achieved a score of "B" for our 2018 performance, both for climate change and water stewardship. CDP is an international not-for-profit organization that provides a global system for companies to measure, disclose, manage and share environmental information on GHG emissions, energy and water use, and climate change. CDP scores and ranks companies based on information disclosed, assessing them on the quality of their disclosure and their achievements in improving performance.

¹As defined by the Greenhouse Gas Protocol, Scope 2 (market-based) emissions include any contractual arrangements under which Varian procures power. In 2018, we included a supplier-specific factor for the city of Palo Alto and residual mix factors for applicable sites in Europe to quantify Scope 2 emissions.

Varian's CDP scores since 2011 are available at www.cdp.net.

- **Institutional Shareholder Services (ISS) Quality Score.** In 2018, Varian earned an ISS Quality Score of 1 (lowest risk) for environment and a Social Score of 3.
- **Barron's.** In 2018 and 2019, Varian was included in *Barron's* Top 100 Most Sustainable U.S. Companies list.

²"Other" Scope 3 GHG emissions include: emissions from fuel and energy-related activities (FERA), upstream transportation and distribution, downstream leased assets and waste generated in operations.









Driving Progress Against Key Environmental Goals

We are focused on achieving long-term goals to drive our environmental sustainability and accountability.

We remain committed to reducing our impact, including reducing hazardous and solid waste generation, reducing our carbon footprint and minimizing water, natural gas and electricity usage.

As we approach 2020, we are in the process of evaluating and establishing a new suite of five-year environmental targets beginning with a new baseline year of 2019 and moving toward absolute targets for energy and water use, and "greenhouse gas" emissions based on climate science. In addition, ESG/CSR goals are being incorporated into Varian's corporate goals in 2020.

Varian is included in leading sustainability indexes including CDP, *Barron's* and ISS.

Greenhouse Gas Emissions	Electricity and Natural Gas	Water Use	Solid Waste Diversion	Hazardous Waste Reduction	Hazardous Waste Diversion
<p>2020 Goals Reduce carbon footprint/ greenhouse gases a minimum of 25% per dollar sales from 2010 baseline by 2020.</p>	<p>2020 Goals Reduce electricity and natural gas use a minimum of 20% per dollar sales from 2010 baseline by 2020.</p>	<p>2020 Goals Reduce water use a minimum of 20% per dollar sales from 2010 baseline by 2020.</p>	<p>2020 Goals Reduce solid waste disposal to landfill and achieve a minimum 80% overall diversion rate by 2020.</p>	<p>2020 Goals Reduce hazardous waste generation by 25% per dollar sales from 2010 baseline by 2020.</p>	<p>2020 Goals Achieve zero landfill of hazardous waste. 100% recycling, reclamation and reuse.</p>
<p>2018 Progress Achieved a 23% reduction (tCO₂e per dollar sales) from 2010 baseline. 2018: 166,714 tons of CO₂e</p>	<p>2018 Progress Achieved a 22% reduction (kWh per dollar sales) in electricity use and 53% reduction (MMbtu per dollar sales) in natural gas use from 2010 baseline. 2018 electricity: 33,138 MWh 2018 natural gas: 10,167 MWh</p>	<p>2018 Progress Reported a 14% increase in water use (gallons per dollar sales) from 2010 baseline. 2018: 28,799,528 gallons</p>	<p>2018 Progress Diverted 26% of solid waste from landfill disposal.</p>	<p>2018 Progress Achieved 23% decrease in hazardous waste generated (tons per dollar sales) from 2010 baseline.</p>	<p>2018 Progress 6% of hazardous waste generated was sent off site for recycling/reclamation/ treatment or secondary reuse/recovery. 32% of hazardous waste – mainly construction waste that cannot be recycled or reused – was sent to landfill.</p>
					

Supply Chain Sustainability

Varian aims to positively impact sustainability in our supply chain by developing a shared mindset with our key suppliers about social and environmental issues. Our approach is to partner with them to share best practices and to help remove any barriers to upstream improvement.



30% of first-time disclosers to CDP have emissions reduction targets, rising to 69% of third-time disclosers, indicating that effective engagement enables suppliers to improve performance over time.

Source: CDP

Varian's direct supply chain comprises around 800–1,000 material suppliers (mainly manufacturers of parts and components in the U.S., Europe and Asia) and service providers. We categorize key suppliers by criteria such as criticality and level of spend. Varian's supply base accounts for 51% of our value chain carbon footprint.

Effective engagement with suppliers on sustainability issues is important for risk mitigation, regulatory compliance, tender requirements, and growing interest from customers and the investor community. In driving improved sustainability performance, there are also mutual benefits to be gained through greater efficiency, resilience and strengthened collaboration.

Engaging With Our Suppliers Through CDP

As a member of CDP's supply chain program, Varian has disclosed the company's own climate change information through this internationally recognized, standardized reporting platform since 2011. In parallel, we established intensity-based targets within our Scope 1 and 2 activities and are currently evaluating an absolute GHG target based on climate science. As part of this journey, we have selected CDP as a key tool for understanding our supply chain footprint and engaging with our strategic suppliers to manage issues of environmental risk and climate impact.

We are investigating tools to dynamically monitor compliance and a variety of risks associated with our global suppliers, including natural disasters, operational capabilities, financial, geopolitical, labor health and safety, and legal.

Longer-term strategic initiatives include:

- Embedding scoring in the vendor scorecard as a tool for monitoring and improving performance.
- Collaborating with key partners to provide our customers with future product solutions designed for sustainability.
- Incorporating sustainability performance in sourcing decision criteria.

Excellence in Health and Safety

Recognizing that health and safety is all about people, our ongoing engagement includes communicating results and information at departmental and global levels to support employees to safely perform high-risk work.

Key milestones during the year included a new library of safety training videos in local languages for manufacturing and field employees. We also reviewed and updated our global policy documentation, ensuring it accurately describes our approach and processes.

Other Health and Safety Initiatives in 2018

We continued to create and update our comprehensive training and tools, including:

- Product-specific electrical safety courses for field service engineers, making the training far more applicable than generic courses.
- The development of automated workstations in our manufacturing facility in Palo Alto, California, to eliminate ergonomic risks for production employees and improve manufacturing quality.
- Earlier involvement in new product development to help design out risks for manufacturing, installation and field service employees.

- Specific guidance developed for ProBeam – a large and complex system requiring comprehensive installation and servicing procedures.
- On-site safety representatives trained by Varian to help manage the safety program at each Proton Solutions customer site in the U.S. The same process will be implemented in our Europe, Middle East and Africa (EMEA) region in 2020.

Advancing Through Certification
We continue to work on obtaining globally recognized health and safety certifications for relevant facilities.

We recorded a DART rate of 0.52. The DART rate is based on the number of employees per 100 who had a work-related injury or illness that resulted in the employee missing time at work, being restricted from doing their normal work or being transferred to a job with less strenuous physical requirements.

Overall, the change in the DART rate has more to do with medical treatment than changes in the severity or number of injuries. Our DART rates are increasing mainly because doctors in the U.S. are becoming more conservative when giving work restrictions, and managers are less likely to return employees to work when they are restricted. Outside the U.S., doctors generally do not return employees to work until they are fully recovered.

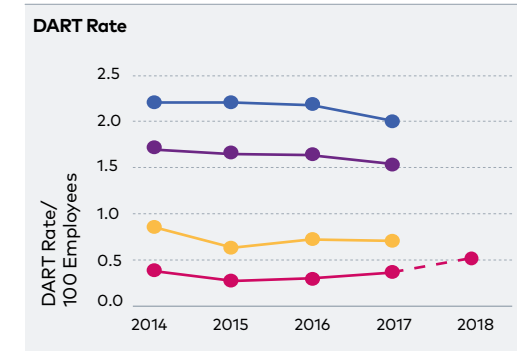


2018 Injury and Illness Rates

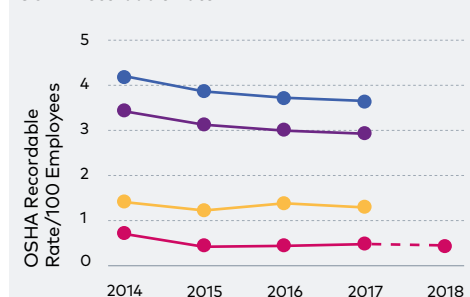
We are proud of Varian's performance as being significantly better than the industry benchmark rate in both Occupational Safety and Health Administration (OSHA) and Days Away, Restricted or Transferred (DART).

OSHA Recordable Rate

In calendar year 2018, we achieved an OSHA recordable rate of 0.63. The OSHA recordable rate details the number of employees per 100 who had a work-related injury or illness that required medical treatment beyond simple first aid.



OSHA Recordable Rate



We hold ourselves to the highest standards and practices to protect our employees and partners from any unnecessary health and safety risks – and remain dedicated to continuous improvement going forward.

Chart Key

- U.S. Manufacturing
- U.S. Industry
- Similar Industries
- Varian Medical Systems

Varian's Culture

It is people, working together, who power victories in cancer care. We foster an inclusive environment to inspire our 10,000 employees around the world, help them grow, reward excellence, celebrate diversity, and build inclusion and belonging.

Together We Create an Inclusive Environment

By valuing each others' different perspectives and treating everyone with dignity, respect, fairness and equity, we create a diverse and inclusive environment that inspires our people, leads to innovation and drives business performance.

Our diversity, inclusion and belonging mission is supported at the most senior levels of the organization. We benefit from a Board of Directors that is diverse and encourages our continuous improvement.

Measuring, Understanding and Acting

We have established goals and metrics for the coming year focused on:

- Increasing the diversity in our slates of candidates at all levels.
- Increasing the sense of belonging at the team, organization and company level.
- Building global awareness and capability to lead inclusively.

Building Understanding of Our Culture From Day One

We have incorporated an interactive session on diversity, inclusion and belonging in our orientation processes. As new hires embark on their careers with Varian, the orientation is designed to encourage new employees to "Engage Now." This is one of our cultural beliefs and focuses on listening actively, speaking fearlessly and including diverse perspectives to make better decisions. The comments of employees who have taken part in the orientation indicate a highly positive impact:

"I'm honored to be joining a company that values its employees for their human capacity to connect, as much, if not more than, their productivity."

"The Culture and Competencies exercises were particularly beneficial in understanding what Varian truly values in its employees and workplace environment."

"Outstanding. The way company information is provided really helps new hires."

Diversity, Inclusion and Belonging Initiatives Across Our Sites

Across the organization, we drive diversity, inclusion and belonging through a range of initiatives.

We continue to make very significant efforts to attract and support female tech talent, including communicating on the issue in our Flash News report, which is seen by 2,000 people every month. Since hiring our first female field engineer in our Europe, Middle East, India and Africa (EMEIA) region in 2018, we have been able to attract three more female engineers in the region – in Germany, Poland and the U.K. We also collaborate with academic institutions to help develop female talent, including partnering with the University of St. Gallen in Switzerland on their Women Back to Business program.

We are also expanding our participation in women-focused development forums like the Watermark Conference for Women (U.S.), Grace Hopper Celebration (U.S.), European Women in Technology (Netherlands) and Women in MedTech (Australia). At the Grace Hopper Celebration, more than 20,000 women technologists gather to further their development and seek job opportunities. Varian is a proud partner of AnitaB.org, which organizes this inspiring event, and sends the company's top female engineers and culture ambassadors to attend.



We continue to increase our female representation year over year. Overall, this stands at 27.7% in 2018 (up from 25.5%) and 24% in VP/SVP roles (up from 21%).

Recognizing Success, Focusing on Employees

Our most valuable asset is the ingenuity of our workforce. We pride ourselves on our ability to offer competitive employee programs, benefits and awards.

Tim Guertin Innovation Award

Our comprehensive employee recognition program includes the Tim Guertin Innovation Award, through which we celebrate the excellent achievements of our team. The annual award recognizes an employee, or a team of employees, who made an outstanding contribution that created tremendous value to Varian and/or our customers and satisfies an important, unmet need.

The innovation may be in the form of a product, service or process. Prize money is donated by Varian to cancer charities selected by the winning teams.

Company Perks and Benefits

We are proud to offer a competitive benefits program that includes holiday pay, retirement and/or pension, health benefits, an employee incentive plan and educational reimbursement. In the United States, we offer a generous employee 401(k) matching program of up to 6%, an employee stock purchase plan, paid time off including time off to volunteer for organizations of the employees' choosing, and a wide variety of employer paid or subsidized health and insurance coverages.

We are also focused on keeping our teams happy and healthy. Our global offices in Japan offer seminars for employees to further understand how best to eat and live healthy, while our Hong Kong office regularly hosts speakers and workshops on healthy eating, supplements and general healthcare. Colleagues in São Paulo, Brazil, benefit from mindfulness workshops, lectures on stress and nutrition, and access to weekly massages. In Steinhausen, Switzerland, we have recently introduced a healthy eating program and free fruit for our employees to enjoy during the work day.

In many of our U.S. locations, including our Palo Alto headquarters, we provide state-of-the-art fitness facilities that offer a wide range of classes and exercise equipment. Our office in China hosts its own employee-organized sports club that includes basketball, soccer and yoga.

We remain strongly focused on the welfare of our employees around the world. We know that employees who take action to stay healthy – including focusing on wellness care, diet, exercise and stress management – will help drive the employee work contributions that propel our company to even greater heights in cancer care.



We promote employee well-being through a wide range of programs and facilities.

Varian Volunteers

Our employees are proud to work at a company that is committed to helping save lives and making the world a better place. Each day, while working to create a world without fear of cancer, our employees bring to life our value of "Doing Well by Doing the Right Thing."

U.S.: Making Strides Together Against Cancer

Victories in cancer care come from people joining forces, which is why our Varian team in Northern California took part for the 15th year in the American Cancer Society's Making Strides Against Breast Cancer walk in San Jose. More than 200 Varian employees, families and friends put their best foot forward to help end a disease that threatens the lives of so many.

Through Varian's Partners in Giving program, employee donations to combat breast cancer are matched one-to-one with corporate dollars up to \$25,000.

Malaysia and Singapore: Stepping Up to Help Beat Cancer

Employees from the Malaysia office participated in Relay for Life Kuala Lumpur, and employees from the Singapore office took part in the Singapore Race Against Cancer.

Varian employees in Malaysia were proud to be first-time supporters of the Relay for Life. They joined 2,000 other participants in the continuous walk around the relay track in a show of solidarity and support for the fight against cancer.

The annual Race Against Cancer fundraising event in Singapore welcomed 7,600 participants who helped to raise SGD\$1.1 million.

Spain: Promoting Cancer Awareness and Research

Armed with Varian's cultural belief to Beat Cancer, employees took to the streets of Madrid for the Race Against Cancer – organized by the Spanish Association Against Cancer to promote cancer awareness and research. More than 18,000 participants showed up for the event.

Germany: Motivating Young Women to Pursue Careers in Science and Technology

Employees at Varian's Troisdorf office participated in Girls' Day, an annual event for young women to gain insight into local science and technology companies, organized by Germany's Competence Center Technology-Diversity-Equal Chances. For the second year in a row, Varian's Proton Solutions team participated. They led the activities and hosted a group of 11 young women on a tour of the factory, where they learned about cyclotron production and were able to conduct experiments performing leak tests.

Japan: Supporting Children With Cancer

Employees from Varian's Japan office and their families joined more than 4,000 participants in the Gold Ribbon Walk for children with cancer, held in Odaiba, Tokyo. The event is organized to help children affected by cancer, promote societal awareness, and improve the happiness and well-being of children and their families.



Governance

At Varian, we seek to do well by doing the right thing. We are committed to acting ethically, responsibly and respectfully at all times. We are in full compliance with laws, wherever we operate, and we grow our business while operating with integrity.

Leadership and Governance

The Board of Directors is the highest governance body within Varian. It has overall responsibility for setting purpose, values and strategy; for risk management; and for economic, environmental and social performance.

The graphic below summarizes the governance structure and highlights key accountabilities with regard to sustainability and corporate citizenship.

Compliance

Varian strives for the highest standards of corporate conduct and is dedicated to maintaining effective and comprehensive corporate compliance programs. Varian's Code of Conduct is designed to ensure all employees,

subsidiaries and third parties understand and comply with relevant aspects of our policies.

Our Ethics and Compliance Committee oversees Varian's compliance with legal and regulatory requirements. Our compliance programs are structured within a clear framework of policies and procedures, training and communications, continuous monitoring and testing, corrective actions and open lines of communication.

Risk Management

Like all companies, Varian is subject to various business risks and uncertainties as well as economic, political and other factors. All key risks are detailed in our Annual Report and Form 10-K, together with mitigation and controls that form part of our risk management program.

Varian's Enterprise Risk Management program focuses on managing and mitigating business risks and uncertainties as they relate to strategy, operations, finance and legal.

Supplier Accountability

The Supplier Code of Conduct, in conjunction with our own Code of Conduct, outlines the requirements and expectations for suppliers representing Varian Medical Systems, Inc., and all of its subsidiaries worldwide. Every Varian supplier is expected to uphold the legal and ethical standards of the Supplier Code of Conduct, and to act in full compliance with the laws, rules and regulations of the countries in which it operates.

Board of Directors

CEO and President Dow Wilson

Board Committees

Compensation and Management Development Committee	Ethics and Compliance Committee	Nominating and Corporate Governance Committee	Audit Committee	Executive Committee
Chair: Jean-Luc Butel	Chair: Regina E. Dugan	Chair: David J. Illingworth	Chair: Judy Bruner	Chair: R. Andrew Eckert

Corporate Citizenship Committee (CCC)* – Sustainability and Corporate Citizenship Focus

Established and overseen by John W. Kuo, SVP and General Counsel; and Terilyn Juarez Monroe, Chief People Officer & SVP People and Places.

Drives Varian's sustainability program, including climate change management.

Includes senior leaders from environmental affairs, finance, human resources, facilities, IT, investor relations, corporate communications, legal and business unit heads.



Further details on Board composition and competencies, Board and committee structure, management stock holdings, Corporate Governance Guidelines and our Code of Conduct can be found at www.varian.com/investor

The CCC links to the Board through the Nominating and Corporate Governance Committee.

The environmental team reports annually to the Board on climate change and other environmental issues.


* General Counsel John W. Kuo acts as Secretary to the Nominating and Corporate Governance Committee as well as sitting on the CCC – offering consistency and accountability for the sustainability program.

About Our Reporting

varian

Our comprehensive, companywide sustainability program involves the close participation of senior leaders from across the business.

Varian's annual sustainability report includes content that references the GRI Standards and reports against self-selected indicators based on material aspects. The GRI Standards are the first global framework for sustainability reporting and represent best practice disclosure on a range of economic, environmental and social impacts.

 Varian's GRI Standards Content Index can be downloaded from <https://www.varian.com/about-varian/corporate-citizenship/environment-and-sustainability>

The data in this Sustainability Report is from fiscal year 2018 (October 2017 to September 2018) unless otherwise noted.

Go online: In addition to this report, Varian will publish future sustainability reports, performance updates and activities at <https://www.varian.com/about-varian/corporate-citizenship/environment-and-sustainability>



Imagine a World Without
Fear of Cancer

(We Do)