



Sustainability Report 2015

EXTENDING CARE GLOBALLY, GROWING SUSTAINABLY

Progress Against Key Environmental Goals

Sustainability Goals

In our inaugural Sustainability Report we detailed some long-term goals to measure ourselves against annually. Here we look at the progress we made in 2014.

	 <i>GHG emissions</i>	 <i>Electricity and natural gas</i>	 <i>Water use</i>	 <i>Solid waste</i>	 <i>Hazardous waste</i>	 <i>Zero landfill</i>
Goal	Reduce carbon footprint/ greenhouse gases a minimum of 25% from 2010 baseline by 2020.	Reduce electricity and natural gas use a minimum of 20% per dollar sales from 2010 baseline by 2020.	Reduce water use a minimum of 20% from 2010 baseline by 2020.	Reduce solid waste disposal to landfill and achieve a minimum 80% overall diversion rate by 2015.	Reduce hazardous waste generation by 25% from 2010 baseline by 2020.	Achieve zero landfill of hazardous waste. 100% recycling , reclamation and reuse.
2014 Progress	Achieved a 30.6% net reduction (emissions per dollar sales) from baseline year. Net: 139,807 tons of CO₂e .	Achieved a 13% reduction (kWh/\$sales) in electricity use and 35.3% reduction (MMbtus/\$sales) in natural gas use. Gross electricity 57,102,191 kWh . Gross natural gas 65,251 MMBtus .	Achieved a 24.5% reduction in water use (gallons per dollar sales) from 2010 baseline. Gross 36,682,840 gallons.	Diverted 49% of solid waste from landfill disposal.	Achieved 61.1% decrease in hazardous waste generated per dollar sales since 2010.	49% of hazardous waste generated was sent off-site for recycling/ reclamation/treatment or secondary re-use/ recovery. 3% of hazardous waste was landfilled.

Welcome to Our 5th Annual Sustainability Report

Varian produces annual sustainability reports as part of our commitment to social responsibility 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 involves the close participation of senior leaders from each of our divisions, locations, and core functions. We identify and prioritize our most significant sustainability issues, and reference the GRI (Global Reporting Initiative) guidelines in our reporting. This is the most used, credible and trusted global framework for sustainability reporting.

As a result of this focus on sustainability, Varian is increasingly recognized as a leading light in this field. For example, Varian was rated among the greenest companies in the U.S. by the influential *Newsweek* Green Rankings for 2014. We were also awarded the accolade of being the highest ranked medical device company in the prestigious *Corporate Knights* Global 100 listing, announced in January this year at the World Economic Forum in Davos, Switzerland.

DOW WILSON, CEO VARIAN MEDICAL SYSTEMS

Data in this report is from fiscal year 2014 (October 2013 to September 2014). We hope you enjoy learning more about Varian's sustainability efforts.

If you have any comments about this report, please contact us at sustainability@varian.com

Go online: In addition to this report, Varian will publish future sustainability reports, performance, and activities at this site: www.varian.com/about-varian/citizenship



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Neil Tozer, a 74-year-old prostate cancer patient from Glenhaven, was the first patient to be treated on a new TrueBeam system installed at Crown Princess Mary Cancer Centre at Westmead Hospital in Sydney, Australia. "My treatment was painless and the lovely photographic sky helps me forget I'm at a hospital," said Mr Tozer. Westmead Hospital was the first hospital in Australia to install two TrueBeam systems.



OUR APPROACH



ABOUT US



PARTNER FOR LIFE



WORKING SMARTER



OUR APPROACH

Varian's efforts in sustainability underpin our business goals and values. This approach is summarized in one of our four core values: Doing Well by Doing the Right Thing – reflecting the fact that our economic, social and environmental performances are intrinsically linked.

With a life-saving mission expressed in another key value – Partner for Life – it comes naturally to Varian to want to contribute not only to saving lives but to improving lives through good corporate citizenship. Maximizing the positive effects of our activity is still work in progress as we strive to weave sustainability into every aspect of business, meet climate change and other environmental challenges, and measure our social impact in meaningful ways.

Our Core Values



CUSTOMERS FIRST We put customers first. Our customers trust us to deliver solutions, products, service, 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 and imaging solutions more effective, affordable, and accessible everywhere. We serve all parts of the world with equal care.



INSPIRED BY 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, and safety. We care for our customers, our colleagues, and our communities.



OUR APPROACH



ABOUT US



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Bridging the Capacity Gap

According to the World Health Organization, the number of new cancer cases doubles every 50 years. By 2050, it predicts 27 million new cases and 17.5 million deaths each year. Cancer is a disease of aging and the U.S. Census Bureau predicts there will be an 80% rise in the world's population of over-60s between 2010 and 2030. This increase is even more pronounced in developing countries, where the number of over-60s is expected to double during the same period.

Even excluding direct medical costs, economic loss from disability and premature deaths caused by cancer is predicted to be close to \$900 billion. Despite the major strides made in cancer diagnostics, treatments, and outcomes in recent years, the growth of this cruel disease continues to outpace the world's defences.

Against this backdrop, the clinical community seeks better and more effective ways of controlling and curing cancer. There are more than 200 types of cancer and each is different, so a pharmaceutical 'silver bullet' is extremely unlikely. Radiotherapy is known to be an extremely effective way of killing cancer cells and controlling tumors, but there is a huge radiotherapy capacity gap between developed nations and emerging countries. There are some 13 treatment machines per million people in the United States and most western European countries along with Canada, Australasia, and Japan have between five and eight machines per million population. Contrast this with fewer than one machine per million people in developing countries such as China, India, Brazil, Indonesia and across the African continent.

"Much of the world is grossly under-equipped and many of the world's cancer patients cannot access modern, advanced radiation therapy treatments," says Dow Wilson, Varian's chief executive officer. "This challenge is where Varian focuses its energies and its R&D dollars. We lead the way in providing affordable, accessible, quality care."

As treatment systems become ever more precise, more cancers become treatable. Lung cancer and liver cancer were rarely candidates for curative radiotherapy treatments ten years ago, but now clinics around the world are reporting positive results through precise stereotactic radiotherapy treatments for both operable and inoperable lung and liver cancer patients. Some 30% of all cancers are lung cancers and the World Health organization estimates that in a few years' time there will be more lung cancer patients in China alone than there are currently cancer cases in the rest of the world combined.

"Varian's mission is to help save millions of lives around the world and we can contribute toward this in many ways," adds Dow Wilson. "In this sustainability report, you will see some of the ways in which we are trying to make a difference."

Cancer rates
doubled
over 50 years

Varian commits to:



Collaborate with international bodies to extend affordable and quality care globally



Work with the global clinical community to improve treatments and outcomes in some of the least developed parts of the world



Provide training for practitioners to operate modern equipment, as the lack of trained personnel is often a bottleneck in developing countries



Pioneer technology that enables faster and more precise treatments to help clinics globally to keep pace with growing numbers of patients



Focus on safety and reliability in all its radiotherapy systems

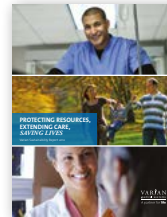
27 million
new cancer cases predicted

17.5 million
deaths each year

Our Progress

“Our products help save lives but that’s not enough,” says Dow Wilson, Varian’s chief executive officer. “Varian can’t just be the leader in X-ray technology – we must also lead in social responsibility and sustainability.”

Varian has made good progress in its corporate social responsibility efforts since introducing annual sustainability reports five years ago. Here is our story:



2010	2011	2012	2013	2014	2015
Varian commences a company-wide examination of sustainability performance; identifies and prioritizes its most significant sustainability issues, and plans its first formal report, based on global reporting initiative (GRI) guidelines.	Inaugural sustainability report is issued, focusing on extending care, improving safety, fostering environmental initiatives, and optimizing impact on local communities. Varian establishes 2020 stretch goals to be measured against and makes first full submission to CDP's Climate Change Questionnaire.	Former CEO Tim Guertin hands over the reins to Dow Wilson, who reinforces Varian's commitment to sustainability. Good progress is made against environmental goals, achieving significant reductions in electricity, gas and water use, solid and hazardous waste, and greenhouse gas emissions.	Varian's third sustainability report provides even greater insight into the company's product strategy, employment philosophy, and commitment to environmental activities across its global businesses. It achieves Application Level B from the GRI, demonstrating this progress.	The 15th year as Varian Medical Systems, which spun off from the old Varian Associates in 1999. An ongoing commitment to employee health and safety yields the lowest injury and illness rates in the company's history. Varian is one of very few companies rated 100% for 'reputation' in the annual <i>Newsweek</i> green rankings.	We go landscape to mark five years of publishing reports! The mid-point into 2020 stretch goals and Varian has already exceeded many of its targets, particularly in reducing the generation of greenhouse gases and hazardous waste. Varian is the highest rated medical device company on the prestigious <i>Corporate Knight's</i> Global 100 ranking.





OUR APPROACH



ABOUT US



PARTNER FOR LIFE



WORKING SMARTER



Varian Medical Systems' mission is to focus energy on saving lives. To meet this challenge, we equip the world with new tools for fighting cancer, taking X-ray images, and protecting ports and borders.

Through decades of expertise in advanced technologies, we have pioneered developments in the fields of radiotherapy, radiosurgery, X-ray tube technology, digital image detectors, cargo screening, and non-destructive testing. We have a robust product portfolio, and long-standing relationships with many of the world's leading clinicians and manufacturers of industrial and medical imaging systems.



70

*sales and support offices
around the world*



14

*production facilities in
North America, Europe and China*

Our Locations



OUR APPROACH



ABOUT US



PARTNER FOR LIFE



WORKING SMARTER

WORLDWIDE HEADQUARTERS

Palo Alto,
California, U.S.

KEY GLOBAL SITES

- | | |
|-----------------------------|------------------------------|
| 1 Salt Lake City, Utah | 8 Buc, France |
| 2 Las Vegas, Nevada | 9 Helsinki, Finland |
| 3 Syracuse, New York | 10 Haan & Troisdorf, Germany |
| 4 Charlottesville, Virginia | 11 Baden & Cham, Switzerland |
| 5 Seattle, Washington | 12 Mumbai & Pune, India |
| 6 Winnepeg, Canada | 13 Beijing, China |
| 7 Crawley, England | 14 Tokyo, Japan |

SELECTED SALES AND SERVICE OFFICES

- | | |
|-------------------------------|---------------------------|
| 1 Algiers, Algeria | 14 Illinois, U.S. |
| 2 Bangkok, Thailand | 15 Kuala Lumpur, Malaysia |
| 3 Brussels, Belgium | 16 Madrid, Spain |
| 4 Budapest, Hungary | 17 Milan, Italy |
| 5 Chengdu, China | 18 Moscow, Russia |
| 6 Chennai, India | 19 New Delhi, India |
| 7 Copenhagen, Denmark | 20 São Paulo, Brazil |
| 8 Dubai, United Arab Emirates | 21 Shanghai, China |
| 9 Georgia, U.S. | 22 Singapore |
| 10 Guangzhou, China | 23 South Carolina, U.S. |
| 11 Hong Kong | 24 Sydney, Australia |
| 12 Houten, Netherlands | 25 Texas, U.S. |
| 13 Hyderabad, India | 26 Vienna, Austria |



>650 medical linear accelerators
supplied in 2014



40,000 X-ray tubes and digital
flat panels supplied in 2014

6,700 employees

Americas – 3,900

EMEA – 2,100

APAC – 700

\$3.05 billion

FY14 revenues

Our Business



OUR APPROACH



ABOUT US



PARTNER FOR LIFE



WORKING SMARTER



Partner for Life



Inspired Innovation



Doing Well by Doing the Right Thing



Customers First

By living our values

How?

By equipping the world with more efficient, affordable, and accessible cancer care, and digital imaging systems

What are our priorities?

Innovation

Globalization

Building Software and Services

Commercializing Protons

Operational Excellence

Outcome

Saving lives

What do we do?

Focus on saving lives



Oncology Systems

The world's leading supplier of medical devices and software for radiotherapy, radiosurgery, and brachytherapy treatments.



Imaging Components

The world's premier independent supplier of X-ray tubes, flat-panel detectors, image-processing software, and workstations for filmless X-ray imaging. This business also supplies high-energy X-ray technology for cargo screening and non-destructive testing.



Other

Varian's 'Other' category includes Varian Particle Therapy, which is equipping proton therapy centers with the ProBeam™ therapy system for advanced proton radiotherapy treatments, and the Ginzton Technology Center, the company's premier research facility.



OUR APPROACH



ABOUT US



PARTNER FOR LIFE



WORKING SMARTER



'Partner for Life' is one of Varian's core values. This is vital given global trends and the challenges faced by communities around the world, including aging populations, the doubling of cancer rates every 50 years, and the lack of healthcare infrastructure in emerging economies.

For Varian, being a Partner for Life encompasses technical innovation, research collaboration, educational programs for clinicians, support services for customers, and engagement with our manufacturing supply chain.

Through these relationships, we work to extend access to advanced care, improve clinical outcomes, optimize safety, and make a positive impact on the communities where we operate.



\$235 million

*spent on research and
development in FY14*



35 million

*treatments a year on
Varian machines*



OUR APPROACH



ABOUT US



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WORKING SMARTER

Expanding Global Health Partnerships

Over the past year, Varian has increased its support of several international organizations seeking to raise the profile of cancer control generally, and radiotherapy specifically, within the global health community.

Varian has served as a vanguard partner of the **Union for International Cancer Control (UICC)** since 2012, to support the organization's mission of uniting the cancer community to reduce the global cancer burden. Over the past two years, Varian increased its support of UICC by sponsoring the World Cancer Leaders' Summit, an annual high-level policy meeting dedicated to furthering global cancer control, and by providing key support to the Global Task Force on Radiotherapy for Cancer Control (GTRFCC). The GTRFCC is due to release its groundbreaking report in September 2015, which will quantify the global investment needed in radiotherapy for cancer control.

"UICC provides essential leadership to promote cancer control within the United Nations' post-2015 development goals," says Andras Fehervary, Vice President, EMEA Government Affairs. "Partnering with an organization that is committed to fighting cancer like UICC allows us to further our own goal of a world without fear of cancer."

In addition to its support of UICC, Varian is an active leader of the **Global Diagnostic Imaging, Healthcare IT & Radiation Therapy Trade Association (DITTA)**, a trade association representing all major manufacturers of radiotherapy and diagnostic medical equipment. Following the recognition of DITTA as a non-governmental organization in formal relations with the World Health Organization (WHO) in May 2015, Varian joined GE, Bayer, and Accuray as members of the DITTA delegation to the World Health Assembly, and continues to

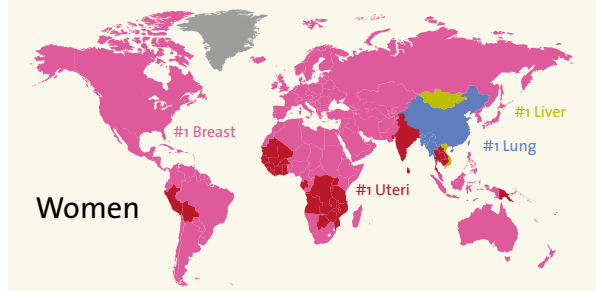
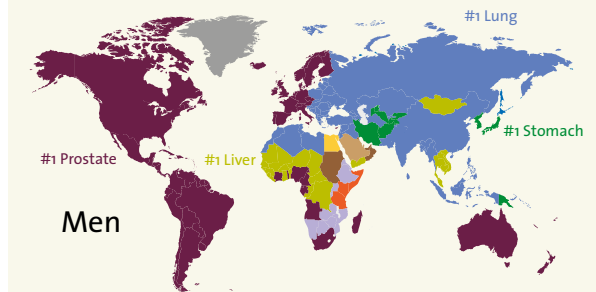
engage productively with the WHO on the role of medical devices in global health.

In July 2015, Varian supported in the **9th Stop Cervical, Breast and Prostate Cancer in Africa (SCCA)** Conference in Nairobi, Kenya. The SCCA is a conference established by and for African First Ladies aiming to raise awareness about cervical, breast and prostate cancer in Africa, and supports interventions for cancer prevention, diagnosis and treatment. This pivotal conference thereby serves to galvanize crucial political will to address the dramatic increase in cancer incidence on the continent of Africa.

"UICC is proud to count Varian as a leading and highly engaged Vanguard partner of UICC since 2011. We share a commitment to raise the profile of radiotherapy on the global health agenda, with the ambition of improving access to the highly effective treatment protocol that improves the survival rate of individuals with cancer."

Cary Adams, chief executive officer, UICC

Most Common Cancers in Men and Women



DOW WILSON SPEAKING AT THE WORLD CANCER LEADERS SUMMIT IN CAPE TOWN, SOUTH AFRICA



OUR APPROACH



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Improving Access and Advancing Care

Access to Care – Vietnam

As radiation oncology becomes increasingly precise and cancer centers worldwide can offer ever more advanced treatments for their patients, many parts of the world are still grossly under-equipped, with too few machines to treat their growing cancer populations.

“But even when these developing regions are able to invest in installing new equipment to address this issue, they are often hindered by a lack of qualified staff to plan treatments and run the equipment,” said Michael Sandhu, who heads Oncology Systems’ new global market development team.

One of the ways in which Varian seeks to bridge the gap between skill levels and knowledge in well-equipped developed countries and in developing nations is to provide a broad range of education services. One of the most ambitious of these is Access to Care, with successful projects underway in Vietnam and South Africa, and plans to introduce a scheme in Algeria this year.

Access to Care was introduced in Vietnam earlier this year when 15 radiation therapy students from three leading cancer hospitals embarked on a ‘train the trainer’ course. Through this, the students – from K Hospital in Hanoi, Danang Cancer Hospital, and Ho Chi Minh City Oncology Hospital – will become trainers themselves, providing tuition to others at their centers.

Following the success of this initiative for radiation therapists, Varian is developing Access to Care training programs for medical physicists and radiation oncologists in Vietnam. “We actively look at cancer plans and radiotherapy plans in developing countries and prioritize our activities,” added Sandhu. “There are many other countries that could benefit from Access to Care and we will look to broaden the program further over the next few years as these countries start to invest in radiation treatment.”

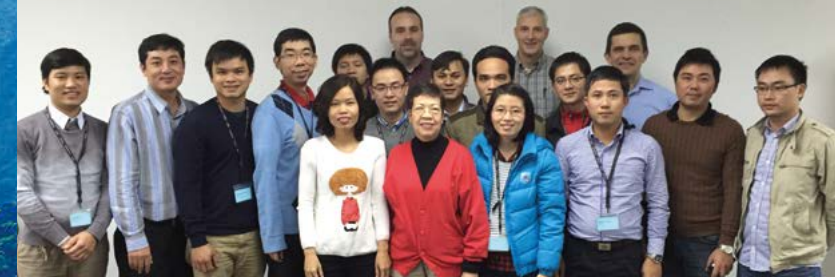
>90 million people

*in Vietnam, <40 linear accelerators
installed in the entire country*

“We are committed to establishing a world-class radiation oncology capability in Vietnam with more modern equipment, trained clinicians, and a radiotherapy education program.”

Doan Trung Hiep, MD, MSc, radiation oncologist at Vinmec International Hospital in Hanoi, where a new Clinac® iX medical linear accelerator from Varian was recently installed

Access to Care Training in Hanoi



In Vietnam, Access to Care training takes place at a training room at the Hanoi premises of Varian’s local distributor Schmidt Vietnam, which is equipped with six treatment planning systems. Future trainees in Vietnam will have an internship at one of the three participating hospitals, and Varian has developed a curriculum for this period in their education, involving practical work interspersed with sessions at the Hanoi training room.



Access to Care – Africa

The Access to Care program in South Africa differs slightly from that in Vietnam. “Whereas you’re effectively starting from scratch in Vietnam and providing training in how to be radiographers and physicists, in South Africa the students are already working in a clinical setting,” says Jose-Manuel Valentim, director of market development for EMEA and APAC. “In South Africa, we are focusing more on treatment techniques, particularly moving from cobalt-based 2D treatments to 3D conformal radiation treatments.”

Varian has three educational partners in South Africa to help run its Access to Care program. The training is held at Groote Schuur Hospital in Cape Town, which is equipped with a virtual linear accelerator and four workstations. A separate software laboratory equipped with six workstations is available for students to practice contouring and planning. The University of Cape Town and Cape Town Technical University also partner with Varian in the program, providing

certification for the successful students. Varian is running two courses a year in South Africa, and 15 to 20 people from three to four participating hospitals attend the programs.

The hospital’s network is linked to Varian’s virtual education environment hosted by its European headquarters in Cham, Switzerland, and students can access the online LäraNära training program to complement their practical training.

The next milestone will be the introduction of French-language training courses in Algeria. Varian is working directly with the country’s Ministry of Health and with U.S. radiation oncologists to develop two Access to Care programs for radiographers and medical physicists in the country. There are also plans to open a SABR-SRS (stereotactic) school, which is being developed in partnership with Prof. Toufik Djemil, currently head physicist at Cleveland Clinic in the U.S., and Algerian by birth. The training room at Varian’s Algerian facility has a full suite of equipment and will also be linked to the Cham virtual environment.

“There is some real momentum behind our Access to Care educational programs in Africa and Vietnam, and we are excited about the chance to make a big difference in developing markets,” said Jose-Manuel Valentim.

Only 23 out of 52 African countries have radiotherapy available for patients. The World Health Organization reports that by 2030 there will be some 1.6 million new cancer cases in Africa each year, resulting in 1.2 million deaths. The most common cancers in Africa are cancers of the cervix, breast, lung, liver and prostate.

Lancet Oncology

Varian has installed more than 100 radiotherapy treatment systems in Africa over the last 25 years. The company recently announced major projects in Algeria, Egypt and South Africa. Varian has also installed equipment in several sub-Saharan nations including Ghana, Angola, Kenya, and Madagascar.



OUR APPROACH



ABOUT US



PARTNER FOR LIFE



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Investing in Brazil

Varian has moved forward on plans to establish a training and education center near São Paulo in Brazil and supply 80 new machines to the country's public hospital network.

Due to be built starting in 2016, the Varian facility in Jundiai will house classrooms with a full suite of Varian software and state-of-the-art amenities, as well as a linear accelerator with a live beam. Classes will be offered in Brazilian Portuguese and Spanish, and it will become the Latin America hub for customer training.

The new Varian Brazil HQ will also house manufacturing, supply chain, software development, and other support functions. It is expected that the first linear accelerator will ship from the facility in 2018.

"We have begun adding several staff in Brazil, including field service engineers, to prepare for the large increase in radiotherapy capacity in

Brazil," said Varian's managing director in Brazil, Humberto Izidoro.

There has also been good progress on the project to supply 80 treatment machines to public sites in Brazil, following a major public tender won by Varian in 2014. This project, the largest single order for linear accelerators that the radiotherapy world has ever seen, is notable not just for its scale but for its ambition – the rollout of modern care to many of Brazil's 200 million population who currently cannot gain access. Keen to support this project, Varian won the project at a low unit price and is now working on designing the departments and equipping the sites with Clinac® accelerators.

"The Brazilian government is committed to funding access to better care and we are excited to be able to work with them on this unprecedented project," adds Izidoro.

"The majority of the 80 hospitals are philanthropic ventures run by bodies like the Catholic Church that will provide treatments funded by the government but with no cost for the patient."

"Brazil is a huge country of 200 million people with most of the wealth and population in the south, and some very poorly equipped rural regions. There are 27 states in Brazil and indeed, one of those states has no radiotherapy whatsoever, so this new technology rollout will make a huge difference."

Under this project, new radiotherapy bunkers are being built at 39 existing hospitals and 41 entirely new hospitals are being constructed. The first of the 80 machines is due to be installed by the end of this year.

200 million

people will gain access to treatment

80 machines

will be installed in 80 sites around the country, with 39 of them expanding existing radiotherapy departments and the majority – 41 – representing new radiotherapy departments





OUR APPROACH



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A Vital Introduction for Developing Markets

Varian has introduced a radiotherapy platform designed to offer resource-constrained hospitals an affordable option for implementing advanced image-guided radiotherapy. Varian's VitalBeam™ system is a new cost-effective technology package for offering high-quality, high-throughput radiation therapy, and for expanding clinical capabilities over time.

"VitalBeam leverages the best of our technology, incorporating many of the innovations we developed for our popular TrueBeam radiosurgery system to enhance precision, safety, and speed of treatment," said Kolleen Kennedy, president of Varian's Oncology Systems business. "It is a flexible and upgradeable system that affordably meets the clinical needs of our customers today and as they grow in the future."

"Customers can configure the system the way that they want it," added Tim Clark, head of European marketing for Varian's Oncology Systems business. "They can choose to start with one configuration and add capabilities over time, at a pace that suits them. It is distinct from our versatile TrueBeam radiotherapy and radiosurgery platform in that VitalBeam is optimized for advanced radiotherapy while TrueBeam systems were designed to handle both."

VitalBeam incorporates Varian's next-generation system architecture, originally developed for the TrueBeam platform, which dynamically synchronizes imaging, patient positioning, motion management, beam shaping, and dose delivery, performing accuracy checks every ten milliseconds.



VARIAN'S NEW VITALBEAM SYSTEM



Varian CEO Appointed to the President's Advisory Council on Doing Business in Africa

Varian's president and chief executive officer Dow Wilson has been appointed by U.S. Secretary of Commerce Penny Pritzker to the newly established President's Advisory Council on Doing Business in Africa. Wilson is among a group of 15 private sector leaders who were handpicked to advise the President, through the Secretary of Commerce, on ways of strengthening commercial engagement between the United States and Africa.

"We have identified and taken advantage of trade and investment opportunities in Africa, built lasting commercial partnerships with the African public and private sectors, and contributed to the development of Africa's health infrastructure," said Wilson. "Our goal is to address the increasing cancer burden in Africa by serving as a strategic partner to African governments and the African private sector to define and implement national cancer initiatives and programs for the benefit of African cancer patients."

The President's Advisory Council on Doing Business in Africa was created as part of an Executive Order, signed by President Barack Obama to promote broad-based economic growth in the U.S. and Africa through mutual trade and investment.

"Developing the health sector in Africa is essential to promoting opportunity and growth across the continent, as emphasized by the U.S. Government's Global Health Initiative, and Varian is proud to serve as an industry leader in this endeavor," added Dow Wilson.



A New Hero in Cancer Care

NATALIE FLANKED BY HER FATHER JOHN AND DR. ANDREW CHANG

In 2014, Scripps Proton Therapy Center in San Diego became the first clinic in the world to treat patients using Varian's ProBeam proton therapy system. Here, we look at one patient's story.

Natalie Wright, 17, was just two years old when she had her first surgery for a cashew-shaped tumor located on her brain stem. She had another brain surgery at age four, followed by chemotherapy, multiple facial surgeries, and more brain surgery at age ten.

Yet the cancer continued to come back, eventually putting Natalie's life in danger. Because of the tumor's highly sensitive location, further surgery was deemed too risky and could have resulted in paralysis or even death. Additional chemotherapy would be ineffective. The only treatment option was external beam radiation, either with X-rays or protons. Natalie's family chose protons.

Natalie and her father, John, traveled from Provo, Utah to Scripps Proton Therapy Center, where she received treatments every weekday for six weeks.

"The brain stem is the main highway between the brain and body," explains Natalie's treating physician Andrew L. Chang, MD. "This is an area that controls breathing, heartbeat, and movement, so accuracy of treatment is critically important."

Conventional X-ray radiation treatment beams could have continued past Natalie's tumor to her brain, face and throat. By comparison, doctors can

control a proton beam to stop where the tumor stops, protecting nearby critical organs. And because children's developing bodies are extremely sensitive to the harmful effects of radiation, proton therapy is the preferred form of radiation therapy for many childhood cancers.

Moreover, Scripps Proton Therapy Center uses Varian's pencil-beam scanning technology, the latest advancement in proton therapy that sweeps a narrow proton beam across the tumor in fine strokes, building up the dose layer by layer to conform precisely to the shape of the tumor.

"We chose proton therapy because of its ability to safely penetrate the brain stem to reach a part of the tumor that couldn't be touched before," says John Wright. "And since the technology at the Scripps Center is the newest and most advanced in the country, we thought 'why go anywhere else?'"

Both big fans of superheroes, Natalie and Dr. Chang often wore matching superhero shirts, and one of the proton radiation therapists at Scripps decorated her treatment mask in superhero style.

Throughout her treatment, Natalie experienced minimal side effects and continued her favorite activities, even traveling back to Utah for summer camp with friends'. Natalie will begin her senior year of high school in Provo later this year, and her medical team is optimistic about her future. "We view Natalie as a superhero in her own right," says Dr. Chang.



OUR APPROACH



ABOUT US



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WORKING SMARTER

Cancer Survivor Visits Varian and Shares Story

Cancer survivor Kristin Crosland recently visited Varian's headquarters to talk to staff about her experiences during treatment on Varian equipment. "Please continue to do the wonderful things you're doing," she told Varian employees during a presentation at the company's Palo Alto headquarters.

When a 7cm tumor was discovered in Ms. Crosland's breast tissue and a metastasis in her sternum last year, she was given a poor prognosis. She was diagnosed with Stage IV oligometastatic breast cancer

After surgery and chemotherapy, she received five weeks of radiation treatment at Stanford Medical Center. She was treated on a Varian TrueBeam™ linear accelerator configured to deliver radiation to the tumor while avoiding her heart and lungs.



KRISTIN CROSLAND (2ND FROM LEFT) WITH VARIAN'S KOLLEEN KENNEDY, ROBERT WOOD, DEE KHUNTIA, AND PATRICK JODA DURING HER VISIT



OUR APPROACH



ABOUT US



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WORKING SMARTER

Radiation Oncology Researchers Glimpse the Future of Cancer Care



Research partners share insights at a symposium sponsored by Varian Medical Systems.

The future of cancer care with radiation oncology is likely to involve more data analytics, new and more precise methods for delivering stereotactic radiosurgery, and more advanced imaging and motion management techniques. Some 150 researchers from leading clinics around the world shared their ideas earlier this year at a symposium supported by Varian.

“Researchers are developing, testing, and validating new innovations, concepts, and protocols that could become tomorrow’s standards of care,” said Patrick Kupelian, MD, professor of radiation at the University of California, Los Angeles (UCLA). “This symposium provided an opportunity for leaders in radiation oncology to collaborate on a wide range of topics that offer the potential to improve the precision and efficiency of cancer care with radiation oncology.”

Varian expects to spend \$8 million on investigator-initiated research during its fiscal year 2015, representing an 11% increase on fiscal year 14. This involves more than 120 active projects, over 60% of which are outside the U.S.

A new level of treatment precision may be possible through a novel method that, for the first time, enables integrated and simultaneous movement of the linear accelerator and the treatment table, according to Ke Sheng, PhD, associate professor of medical physics at UCLA. Dr. Sheng is a member of Varian’s SRS-SBRT Clinical Council, an advisory board that helps to conduct research, provide clinical guidance, and evaluate new techniques to simplify high-precision SRS-SBRT treatments while making them more efficient and accessible to more clinics.

“The Varian Research Partnership Symposium represents a positive model of how industry and academia can work together to move cancer research forward, and to catalyze new developments that will ultimately help in the fight against cancer.”

Arno J. Mundt, MD, professor and chair of the Department of Radiation Medicine and Applied Sciences at the University of California, San Diego

Several researchers presented on the use of knowledge-based treatment planning models to increase both the speed and quality of treatment planning, which is still a relatively time-consuming aspect of radiotherapy treatment design. One researcher, Martha Matuszak, PhD, assistant professor of radiation oncology at the University of Michigan, showed a RapidPlan® model that her team developed for expediting and standardizing quality in radiosurgery treatment plans for spinal lesions.

Presentations about imaging techniques covered such topics as dual-energy imaging to enhance the quality of image-guided radiotherapy treatments for lung and other cancers. Other presentations covered research projects involving strategies for dealing with tumor motion during treatment, including marker-less tumor tracking, and the use of electromagnetic beacon transponders.

“Varian holds this research symposium roughly every two years, and the caliber of the presentations is quite impressive,” said Scott Johnson, PhD, director of research collaborations at Varian. “It’s a great opportunity for investigators to talk with each other, test out their ideas, and obtain useful input from colleagues. These researchers are doing very exciting work and the potential to improve cancer care with radiotherapy is tremendous.”



Pioneering Indian Hospital Delivers 10,000th RapidArc Treatment

A three-year-old baby girl with a brain tumor has become the 10,000th patient treated using Varian's RapidArc technology at Yashoda Hospital in Hyderabad, India.

The treatment took place in May at Yashoda Hospital in Hyderabad, India, and comes just six years after RapidArc was first introduced clinically at the private hospital. "The patient had a complete response to the treatment and there is no evidence of disease in a recent MRI scan of the child," said Dr. G. S. Rao, director of the Yashoda group of hospitals.

Yashoda was the first hospital in India to introduce RapidArc treatments and over the past six years it has phased out the use of so-called 'static-field' intensity-modulated radiotherapy (IMRT) treatments and replaced them with RapidArc. In so doing, it has become the first hospital in the world to deliver 10,000 RapidArc treatments.

RapidArc delivers a fast and precise radiotherapy treatment in single or multiple rotations of the treatment machine around the patient, and makes it possible to deliver image-guided IMRT two to eight times faster than is possible with conventional IMRT. Faster treatments allow for greater precision, since there is less chance of patient or tumor movement during treatment delivery and, with less time on the treatment couch, they also allow for greater patient comfort.



DR. G.S. RAO

Over half the RapidArc treatments carried out at Yashoda over the past six years have involved tumors of the brain, head and neck. Three Varian linear accelerators at the hospital are equipped with RapidArc technology, which was introduced by Varian to speed up treatments and make advanced IMRT approaches more widely available to cancer patients globally.

"We see RapidArc as a very efficient, precise and safe way of delivering advanced radiotherapy," said Dr. Rao. "Because of the speed of RapidArc treatments, we no longer have a waiting list. In fact, we usually start treatments within two days of the patients being taken for CT simulation."

Although Yashoda is a private cancer center, it has a strong history of delivering treatments 'pro bono' for those who cannot afford advanced radiotherapy. About a fifth of the center's RapidArc treatments have fallen into this category. Indeed, for several years it has sent a bus into local villages several times a month and brought patients back to Hyderabad for treatment. The bus, resplendent in orange and equipped with a wide range of diagnostic equipment, travels to remote villages throughout the province of Andhra Pradesh and screens patients for cancer. If people need treatment, they are brought back to the hospital and treated without charge.



Leibundgut Elected to COCIR Board

Roger Leibundgut, Varian's EMEA Region President, has been appointed to the Board of Directors of COCIR, the European Trade Association representing the radiological, electromedical and healthcare IT industries.

"COCIR's agenda of supporting the sustainability of healthcare systems and of promoting research and innovation as key enablers of economic growth are well aligned with those of Varian," said Roger Leibundgut. "COCIR is also a key player in regulatory frameworks and international standards, which are long-term strategic objectives for Varian that can improve access to global markets."

"Roger's status as the only Board member from the radiotherapy sector puts us in a leadership position to ensure policy-makers in Europe and elsewhere are aware of the cost-effectiveness of innovative radiotherapy treatment and its role in generating positive patient outcomes," said Andy Whitman, Varian's Executive VP of Government Affairs.

Founded in 1959, COCIR is a non-profit association headquartered in Brussels that brings together the healthcare, IT and communications industries. COCIR's stated vision of "a better world with improved access to affordable, safe and quality healthcare" is nicely aligned with Varian's mission.



OUR APPROACH



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WORKING SMARTER

Investing to Extend Care

Varian has reinforced its commitment to expanding access to advanced care globally by opening new regional facilities in Saudi Arabia and Algeria.

Varian Medical Systems Arabia was officially opened by Varian CEO Dow Wilson at a ceremony attended by local dignitaries. The new headquarters is home to 35 sales, service and administrative employees supporting Varian's three business segments. Varian has also established a spare parts depot in Riyadh.

"We look forward to supporting the ministry of health in Saudi Arabia as well as the other healthcare service providers in the military sector, independent organizations, and private hospitals," said Mazyad Al Utaibi, managing director of VMS Arabia. "Our expertise, experience, strengths

and capabilities ensure we are well placed to continue offering our partners the latest technology and local service to fight cancer and help save lives."

Varian is the leading provider of radiotherapy systems to Saudi hospitals. Varian was also selected to equip the Middle East's first proton therapy center, which is under construction at King Fahad Medical City in Riyadh.

Varian Medical Systems Algeria represents a significant investment in new offices, a training and education center, a parts depot, and a service center. "We will focus on enhancing access to care and patient outcomes, providing clinical customers with a high level of service, and the creation of educational programs to train clinicians on the use of Varian technology to deliver advanced radiotherapy," said Fouad Rahal, managing director of Varian Algeria. "Cancer is growing rapidly in Africa and has become one of the continent's top healthcare concerns."

The first Varian linear accelerator was installed in Algeria over 20 years ago and the company now has 16 systems operating across the country. Recently, Varian treatment systems were installed at government specialty cancer clinics in the cities of Batna and Setif.

"New investments such as these represent the next step in our commitment both to cancer patients and to the medical community in the Middle East and Africa," said Dow Wilson. "Radiotherapy plays a vital and cost-effective role in treating cancer, and we are committed to making more advanced treatment systems available to more patients across the region."



DOW WILSON OFFICIALLY OPENS VARIAN MEDICAL SYSTEMS ARABIA, HELPED BY MANAGING DIRECTOR MAZYAD AL UTAIBI

"We look forward to supporting the ministry of health in Saudi Arabia as well as the other healthcare service providers in the military sector, independent organizations, and private hospitals..."

Mazyad Al Utaibi, managing director of VMS Arabia



THE CLINICAL TEAM AT MID EUPHRATES CANCER CENTER IN THE IRAQI CITY OF AL NAJAF CELEBRATES THE INITIATION OF ADVANCED RADIOTHERAPY TREATMENTS AT THE CENTER USING A MODERN CLINAC IX FROM VARIAN. THE TEAM OF PHYSICISTS, RADIATION ONCOLOGISTS, RADIATION THERAPISTS, AND BIOMEDICAL ENGINEERS RECEIVED TRAINING FROM VARIAN. THEIR FIRST TREATMENTS INVOLVED PATIENTS WITH BREAST, LARYNX, AND WHOLE BRAIN TUMORS.



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WORKING SMARTER

Partnering with Communities

Serving Hope to Kenya's Children

For James Ries, software project manager, making a difference in people's lives extends beyond his work delivering Varian technology that helps save lives to clinics and hospitals.

Moved by the work of the non-profit organization, SERV International, he recently volunteered to travel to Kenya, where he participated in a large-scale feeding program that has now distributed more than seven million meals to famine-stricken children and families in the region.

"Communities with so very little embraced us with song and dance," he said. "They were just happy to know others care for them and they were not forgotten. We packaged food, visited multiple orphanages, passed out the food, and built relationships with the House of Hope children."

The House of Hope orphanage was built by SERV International's founder, Steve Kasha, to house and care for about 40 children in Lodwar, a remote region of Kenya previously unserved by other relief agencies. "I feel truly blessed to have had the opportunity to serve the people of these remote areas of Eastern Africa," James added.

He travelled to Nairobi to join the mission trip, which is funded entirely by donations to the organization. Once there, he was immediately impressed by the community's warm welcome.

For the people of Kenya, SERV distributes food that is grown in the Great Rift Valley, dried and packaged with vitamins. "The food helps address famine in these remote villages, but simply returning to this area shows that people care and they are not forgotten," he said. "I cannot wait to return with SERV to Kenya. My life has been truly enhanced by this experience."

"I was surprised at the wonderful hospitality of the Kenyans living in remote villages. It also astonished me that the women walk for miles just to get water – not even fresh water."

James Ries, software project manager, Varian





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Ending the Stigma of Leprosy in India

For more than 3,000 years, people around the world have lived in fear of leprosy, but for Varian's Gilfern Gonsalves (aka GG) the opportunity to volunteer in a leprosy colony in India was both a humbling and a life-affirming experience.

"I was intrigued by the experience of a friend who'd participated in an outreach program in Zambia last year, and I wanted to volunteer, too," explained GG, an X-ray returns specialist based in Utah. "I looked at a few different organizations and decided to go to India to serve those afflicted by leprosy. Although this painful and disfiguring disease is now curable, many of its victims still suffer devastating social stigma and discrimination."

GG chose to volunteer for the Rising Star Outreach program, a U.S.-based non-profit whose mission is to help leprosy colonies become thriving, self-sufficient communities. To help with fundraising for the program, she sold candy bars to colleagues in the short time before the trip and, with Varian matching contributions, was able to raise a total of \$1,650.

Earlier this year, GG traveled to India, spending 10 days at the colony and rotating twice through three different work areas: the mobile medical clinic, where she changed patients' bandages and helped care for their wounds; the children's education group, where she helped tutor some of the 200 children in the colony in English and math; and the economic rehabilitation team, where she helped build the foundation of a school that will train colony members to become self-sufficient and productive citizens.

"For me, personally, taking off patients' bandages so they could have their wounds cleaned and fixed was the most humbling experience of all," GG added. "I'm the kind of person who is easily squeamish, but I recognized the

human suffering and had to put my own feelings aside. And although there is so much suffering there, I have never seen such happy people in my life. It confirmed that 'having' doesn't buy happiness."

>\$333,000

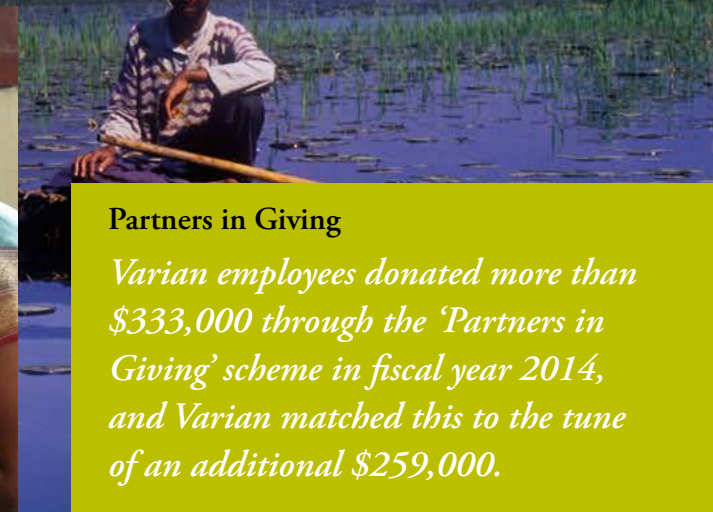
donated by Varian staff through Partners in Giving

GG was so moved by her volunteer experience that she decided to sponsor one of the children at the colony through the Rising Star sponsorship program. A monthly pledge covers the child's nutrition, housing, medical care, and education, and the program lets her keep in touch through email and regular mail.

"There are a lot of abandoned children at the colony, and since I'm adopted, it really hit home," GG explained. "One of my favorite moments in the entire trip was telling Jennifer, a 14-year-old girl who was abandoned by her parents, that I was going to sponsor her. She was so happy!"

GG hoped that her volunteer work will help more children like Jennifer find new opportunities to overcome the many challenges they face. "In India if you speak English and are computer literate, your chances of success increase exponentially," she added.

In the meantime, she's already looked into other volunteer opportunities for next year. "I wouldn't trade this experience for anything! I loved my trip to India," GG said. "And I'm especially grateful to my colleagues at Varian for getting on board with my efforts, and supporting me."



Partners in Giving

Varian employees donated more than \$333,000 through the 'Partners in Giving' scheme in fiscal year 2014, and Varian matched this to the tune of an additional \$259,000.



Focusing on Supply Chain Excellence

Varian's global operations place great store on working with suppliers who follow good manufacturing practice and have an established quality system in place. A supplier Code of Conduct, which incorporates issues such as human rights and environmental standards, is due to be published by the company later this year. Varian's production facility in Crawley, UK, has held ISO14001 accreditation for many years, and work is now underway to secure this environmentally focused accreditation for the company's Beijing plant. Here, we take a closer look at examples of supply chain excellence in Varian.

Award-Winning UK Operation

As supply chain manager, Simon Pett's role involves taking the various sales inputs from around the world, converting them into a workable production plan for the Crawley factory, then managing the sourcing and supply of materials to meet the plan in the most efficient and cost-effective manner possible. This process is managed within an extensive compliance framework of legal, ethical, environmental, and regulatory controls.

"Many of our key suppliers have had long-standing relationships with Varian UK," said Simon Pett. "Our instinct is to

continue to work with existing suppliers with proven outstanding performance to pursue continuous improvement."

This commitment to the ongoing development of suppliers has helped deepen relationships: as well as collaborating with first-tier suppliers to strengthen their own competitiveness through the introduction of low-cost sourcing strategies, Varian performs training in subjects such as lean manufacturing, and has exchanged apprentices with suppliers for work experience.

Continued on page 22...



MIKE WOOD AT CHEMIGRAPHIC IN CRAWLEY, UK

A UK Supplier's View

Based just a few minutes from Varian's production facility in Crawley, Chemigraphic is an electronics manufacturing services business that employs 150 people. The company supplies Varian with sub-systems for products such as the Exact Couch, the Acuity simulator, and the VariSource brachytherapy afterloader.

"Varian is one of our top five customers and we have supplied it for the past 20 years," said Mike Wood,

Chemigraphic's sales and marketing director. "Our systems support the reporting and quality assurance that Varian demands while having a lot of flexibility to react to short-term requests.

"Varian clearly appreciates the benefit of having local suppliers. Local suppliers like working with Varian because it is a key part of the local community and is seen as a company that supports the local area."



SUPPLY CHAIN EXCELLENCE – PICTURED AT THE AWARD CEREMONY ARE HELEN KIRK-BROWN FROM HAYS, VARIAN'S SIMON PETT AND NEIL MADLE, AND CELEBRITY HOST HUGH DENNIS.

Continued from page 21...

For many years Varian Medical Systems UK has maintained a supplier relationship philosophy called 'Value Managed Relationships,' the basic premise of which is to work closely with a small supplier base, many from London and the South East of England. Indeed, the plant's spend with suppliers from this local region has almost doubled over the past three years.

"This enables close communication between multiple points of contact in each organization, sharing of performance data, early involvement in new product

development, and alignment of strategy," said Simon Pett. "Our ethical approach, as well as our emphasis on quality, continuous improvement, and development of suppliers, creates a supply chain which works to a consistent and high standard.

"Many relatives of our own and suppliers' employees have been treated on Varian equipment and thus are our ultimate customers, which fosters strong team work and collaboration in improving an awareness of our common objective – to help save lives."



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Initiatives in China

At Varian's production facility in Beijing, the approach to working with suppliers is slightly different. "We try to find partners that are already working with one of the major players in the healthcare market, companies such as GE, Philips, and Siemens," explained manufacturing director Andy Partridge.

Varian Beijing has a risk-based approach to evaluating suppliers and a procedure to ensure consistency. A dedicated team manages quality and efficiency issues with suppliers and this team is proportionally larger than at other global Varian facilities.

"We have worked hard to reinforce messages about ethical compliance with suppliers," said Andy Partridge. "For the past two years we have brought suppliers for a factory tour, a product demonstration, and comprehensive compliance training sessions by our legal team."

The process is underway to secure ISO14001 accreditation for the Beijing facility. "We hope we can complete this in our next fiscal year," said Andy Partridge. "We also give credit to the suppliers that already have ISO14001 – many of them do."



ATTENDEES AT THIS YEAR'S SUPPLIERS' DAY AT VARIAN BEIJING



Ethical Compliance at Varian

For Varian, ethical behavior and compliance with local laws and regulations have always underpinned how the company transacts business. In the past, responsibility for overseeing the company's ethical compliance program has rested with either the Legal or Regulatory departments. But two years ago, Kirsten Kempe joined Varian from Johnson & Johnson to build and run a dedicated compliance function, with 11 positions at Varian sites around the world.

"Conducting business ethically will foster success for companies like Varian," said Kirsten, Varian's director of ethical compliance. "A dedicated compliance team such as the one we've built over the past two years can help to monitor behavior, deliver training, and provide guidance."

The global ethical compliance team is a corporate resource covering all business units within the company. It runs a global compliance program with regional implementation,

localizing materials based on the laws, customs, and culture of the countries in which Varian operates.

Training takes a blended learning approach, with both e-learning and instructor-led training. It is not just Varian's employees who receive regular compliance training – distributors and reps around the world are expected to operate to the same standards as Varian's employees. In China, many of the vendors have also received compliance training. Some training takes place in the local language.

Varian's updated Code of Conduct can be found at <http://investors.varian.com/CodeofConduct> Translated into nine languages, the code covers Business Courtesies, Bribery, Conflicts of Interest, Data Privacy, and Working with Third Parties. The interactive web version includes a video with input from CEO Dow Wilson and Varian employees from around the world.



"Compliance should not be a program on paper. With the support of management and the business, compliance is culturally embedded into our organization."

Kirsten Kempe, director of ethical compliance



ETHICAL COMPLIANCE TRAINING AT VARIAN BEIJING



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Varian Legal Team Wins Corporate Diversity Award

Varian's legal team has been honored for its commitment to diversity and inclusion by winning a Corporate Diversity Award.

"I'm extremely proud of the effort and dedication that our legal department and the company have shown in working to broaden our awareness and create an inclusive environment," said John Kuo, general counsel at Varian, and himself a recent addition to the Power 100 List by *Lawyers of Color* magazine. "Since we serve diverse communities of people, it's important that our team reflects the views, needs, and concerns of those communities. Thanks to these deserving efforts, Varian has been recognized as a special place to work."

The Asian Pacific American Bar Association of Silicon Valley (APABA-SV) Corporate Diversity Award is given to corporations and legal departments that have demonstrated a strong commitment to diversity and inclusiveness in the workplace and in their outside endeavors.

Diversity and inclusion are not just prevalent in the legal team, but across many teams throughout Varian, and reflect the same level of commitment. Currently, 44% of Varian's vice presidents and senior vice presidents are women, and 25% of Varian's senior executives are ethnically diverse.

Within the legal department, 75% of the U.S.-based attorneys are either ethnic minorities or women, 43% of worldwide attorneys are women, and 10% of worldwide attorneys self-identify as lesbian, bi-sexual, gay, or transgender (LGBT). "This award proves that we can help drive change in our profession and help make this a more accessible and representative industry," Kuo added.

In accepting the award, Kuo said: "We as an executive team and Varian as a company have this commitment to diversity and inclusion, not only because it is the right thing to do, but also because it is simply good business."

Varian General Counsel Receives Prestigious Social Justice Award

John Kuo, Varian's general counsel, has received a 2015 Justice in Action Award from the Asian American Legal Defense and Education Fund (AALDEF) for his outstanding achievements in advancing social justice in the community at large.

"It's a tremendous honor to be recognized in this way, and by the organization that originally inspired me to become more involved in promoting diversity," John said. "I grew up in a rural suburb of Houston where there was a very small Asian-American population, and attended my first AALDEF meeting as a freshman at Cornell. I was extremely impressed by the work of the organization, and that first meeting helped empower me to become more involved."

"As one of about 20 Asian-American general counsels in all of the Fortune 1000 companies, I feel I have a responsibility to give back, help lead the way, mentor newcomers, and help set the stage for others to advance," added John. "I strive to be the voice of inclusiveness, and lead by example." In the Fortune 1000, approximately 75 general counsels are from minority groups and 200 are women.

"Success in advancing diversity and inclusivity requires active participation and embracing different points of view," John concluded. "As a global company, inclusivity and diversity are a part of Varian and its culture. The executive group has been extremely supportive of my efforts, both within the company and outside in the community at large."



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Stories from HQ

Wellness at Varian

Healthy living and general wellness were highlighted at Varian's annual Wellness Fair at the Palo Alto headquarters, where more than 300 employees from Varian's Palo Alto and Milpitas campuses visited 42 vendors to learn more about steps they could take to live healthier lives.

The event featured wellness zones on healthcare, nutrition, financial, commute/ergonomics, team activity, fitness and self-help, allowing attendees to talk to experts and learn more about health and wellness in areas of their interest. Many also took advantage of a number of free services available including nutrition consultations, gait assessments, stress relief chair massages and sport therapy massages.

"As a company, Varian is focused on both the physical and financial wellness of our employees," said Steven Muramoto, corporate benefits director. "Along with our ongoing Living Healthy program, this event provides us an opportunity to showcase the programs, resources, and information available to our employees so that they can make healthier and more informed choices in their own lives."

Employees also could enter to win raffle prizes, and 34 lucky winners won a variety of health-related prizes such as gym bags, water bottles and chair massages.

"Along with our ongoing Living Healthy program, this event provides us an opportunity to showcase the programs, resources, and information available to our employees, so that they can make healthier and more informed choices in their own lives."



Charging Ahead with No Charge

More than 80 users have signed up for the electric vehicle charging program at Varian's Palo Alto headquarters, enjoying some 6,000 free charging sessions over the past year.



About a dozen electric vehicle charging stations have been installed at the campus and the company is now looking to extend the program to other U.S. and international sites. "This is a free resource aimed at encouraging employees to opt for more environmentally friendly vehicles," says Alan Palter, Varian's director of environmental affairs. "This program has been a great success and in 2014 it helped avoid the use of over 3,000 gallons of gasoline or 29 metric tons of CO₂e."

>29,000kg

reduction annually in greenhouse gases as a result of the stations



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Fundraising in Action



Varian's UK-based human resources manager recently completed a sky-dive to raise £1,300 for the Rainbow Trust Children's Charity. Chris Hadden boarded a tiny single propeller plane with 13 others and completed a tandem jump.

"I started to really feel jittery once we got clearance to head up to 12,000 feet and the plane started to bank and climb," she said. "Thankfully, once we got into position, legs dangling over the edge, we were out and free-falling. It was an amazing experience that took me completely out of my comfort zone and I am so pleased I arranged to have the whole thing filmed as I still cannot believe I did it. My colleagues from so many corners of the Varian globe have been incredibly generous in sponsoring me and I would like to thank everyone for their support and good wishes."

Rainbow Trust is an organization, based close to Varian's Crawley office, offering vital emotional support and practical assistance to the families of terminally/seriously ill children. "As a parent of two healthy boys, I can only imagine how difficult it is to deal with a critically ill child and the inevitable life-changing events," said Chris.



A TEAM FROM VARIAN'S HAAN FACILITY IN GERMANY TOOK PART IN THE ANNUAL B2RUN CHARITY EVENT IN DUSSELDORF IN JUNE. ALL 11 MEMBERS OF THE VARIAN TEAM COMPLETED THE 6-KILOMETER RUN, WHICH CLIMAXES IN THE ESPRIT ARENA, ONE OF THE LARGEST SPORTS STADIUMS IN GERMANY. IN TOTAL, ABOUT 9,000 RUNNERS FROM 380 COMPANIES TOOK PART IN THIS HIGH-PROFILE FUNDRAISING EVENT.

VARIAN'S ONCOLOGY SYSTEMS TEAM IN GERMANY TOOK PART IN A CHARITY DRAGON BOAT RACE WHILE GATHERED FOR THE ANNUAL DEGRO GERMAN RADIATION ONCOLOGY SHOW HELD IN HAMBURG IN JUNE. ALL ENTRY MONEY RAISED FROM THE EVENT WAS DONATED TO A LOCAL SOCIAL PROJECT. THE VARIAN TEAM NOT ONLY ENJOYED THIS GREAT TEAMBUILDING AND FUNDRAISING EXERCISE, THEY ALSO MANAGED TO WIN THE WHOLE EVENT.





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Providing greater access to advanced care around the world is a motivating force for Varian. We want to help save more lives every year, increase patient throughput, and improve access to advanced care.

At the same time as we work toward these goals, we must continue to look for ways to increase our operational efficiency in order to lighten our impacts in energy and carbon, waste, and water. Working smarter also means maintaining responsible, ethical global operations in which the safety, health, and wellbeing of our colleagues and neighbouring communities is paramount.



30.6%

*reduction of greenhouse
gas emissions per dollar
sales, since 2010*



0.76

OSHA recordable rate*

*Occupational Safety and Health Administration



Health and Safety

Injury and Illness Rates Among Lowest in Company's History

Varian's commitment to employee health and safety yielded some of the lowest injury and illness rates in the company's history. In calendar year 2014, the company achieved an OSHA (Occupational Safety and Health Administration) recordable rate of 0.76 and a DART (Days Away Restricted or Transfer) rate of 0.46.

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, while the DART rate is 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 lower physical requirements.

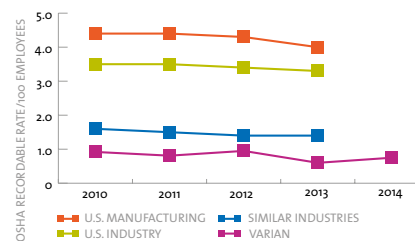
"These results are up very slightly on last year's record-breaking low rates but they are still among the lowest in our history," says Jim Weber, Varian's health and safety manager. "We are continuing to post better rates than benchmark companies but we cannot rest on our laurels as our real objective is to continuously improve our own performance."

Varian's largest business operations recently developed injury and illness rate goals based on their performance over the past five years, with a desire to continuously improve. Business unit senior management tracks performance against these goals throughout the year, and reports on their results quarterly. In 2014, the injury and illness rate goals were expanded to include more Varian businesses and locations.

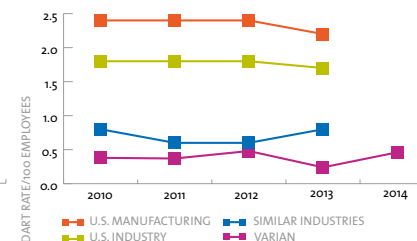


2014 Injury and Illness Rates

OSHA RECORDABLE RATE



DAYS AWAY RESTRICTED OR TRANSFERRED (DART) RATE



Audits

Following health and safety program audits for all business units in the U.S. in 2013, aimed at evaluating the compliance of business units to the major OSHA regulations that impact them, work has continued to implement process corrections based on the minor findings. "Compliance across the company has increased significantly as a result," added Jim Weber.

Another major effort in recent years has involved learning lessons from the company's first ProBeam installation at the Scripps Proton Therapy Center in San Diego and putting processes in place for similar installations to come. "Scripps was a first for us, and the health and safety needs were not fully understood," says Weber.

"Through this project, we learned more about the work our employees do during an installation, what regulations apply, what training needed to be done, what equipment they needed. We took all of that information and put it into the implementation plan that describes the activities, equipment, programs, and training that are needed to ensure we meet our three goals of emergency preparation, injury, and illness prevention, and regulatory compliance."

Jim Weber, health and safety manager, Varian



Environmental Highlights

Varian's long-standing commitment to the environment is reflected in the company's Environmental, Health & Safety (EH&S) manual that is available to all personnel via the company intranet. This document outlines how EH&S issues are managed across the company.

Varian began tracking energy, air emissions, water use and hazardous waste generation at a corporate level and reporting the information to its Board in 1992. As the company has grown five-fold since 1999, data is normalized using 'per dollar sales' to appropriately measure improvement over time.

In the last five years, Varian has:

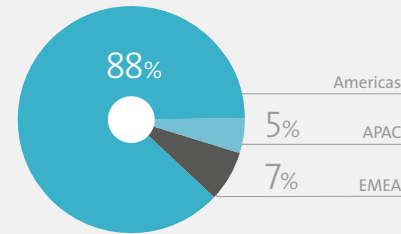
- Reduced natural gas use per dollar sales by 61%
- Reduced hazardous waste generated per dollar sales by 31%
- Reduced greenhouse gas emissions per dollar sales by 30.6%
- Reduced water use per dollar sales by 24.5%
- Reduced electricity use per dollar sales by 13%

You can find details of how these reductions stack up against company goals on page 1 of this report.

CDP Climate Change Information Request

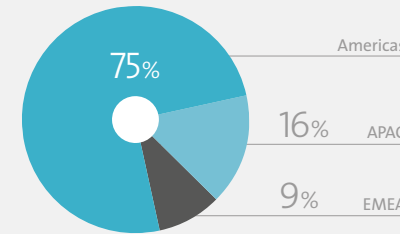
This is Varian's fifth year of submitting information to the CDP's climate change program. CDP is an international, not-for-profit organization providing a global system for companies and cities to measure, disclose, manage, and share environmental information. Each year, CDP, via its climate change program, requests information on greenhouse gas emissions, energy use, and the risks and opportunities from climate change from many of the world's largest companies. CDP then scores and ranks companies based on the information disclosed. Disclosure scores assess companies on the quality of their disclosure while performance scores assess achievement of performance improvement in relation to climate change. Varian's CDP scores for the past four years are shown here: www.cdproject.net/en-US/Results/Pages/responses.aspx

Gross Scope 1 Emissions by Region in 2014



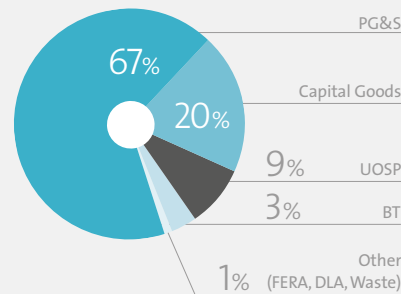
GROSS TOTAL: 28,116 tons CO₂e

Gross Scope 2 Emissions by Region in 2014



GROSS TOTAL: 22,144 tons CO₂e

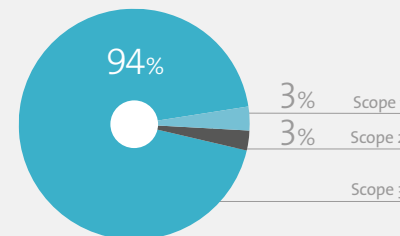
Gross Scope 3 Emissions by Source in 2014



GROSS TOTAL: 747,917 tons CO₂e

PG&S – Purchased Goods and Services
UOSP – Use of Sold Products
BT – Business Travel
FERA – Fuel and Energy-Related Activities
DLA – Downstream Leased Assets
Waste – Waste Generated in Operations

Gross Total GHG Emissions by Scope in 2014



GROSS TOTAL: 798,176 tons CO₂e

Varian recently submitted its first company-wide water disclosure to CDP and is evaluating the information gathered to determine where water reduction opportunities may exist, to improve that area and work toward the 2020 reduction goal.

Defying the Drought in Palo Alto

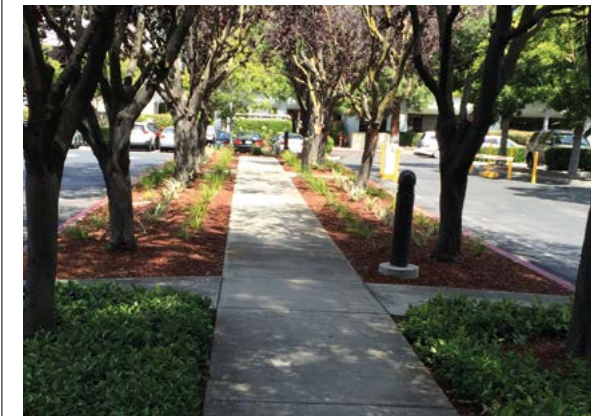
Varian's headquarters in Palo Alto has saved more than 51,000 gallons of water a month thanks to a series of water conservation projects.

"Due to the dry conditions in California, and as part of our Sustainability Program, Facilities Maintenance has been focusing on the reduction of water usage," says Greg Booth, senior manager of maintenance services.

In August 2014, the 220,000 gallon fountain alongside the main headquarters building was emptied in anticipation of drought requirements. "We estimate we are saving an average of 9,000 gallons a month," says Greg Booth. "This water was diverted and used for landscape irrigation."

With the Governor of California tightening water restrictions during the drought earlier this year, and putting in place mandatory water usage reductions of up to 25% for all municipalities in the State as measured against 2013, a turf removal project began.

"In areas where lawns or flower beds were removed, they were replaced by drought resistant plants as well as drip irrigation to replace the standard sprinkler-heads," added Booth. "Later this year and early next year we will do more of these water-conserving turf removal projects."





Environmental Excellence

Cham Training Goes Paperless

The customer training center at Varian's European headquarters in Switzerland has gone entirely paperless, which is expected to save more than 70,000 sheets of paper a year.

Varian trains over 1,000 people in the center per annum, with an average of two training sessions each week taking place in three classrooms at the facility in Cham, near Zurich. Each classroom can hold 15 students.

Technical and clinical software product training materials are now provided on tablets and attendees can take notes directly on their tablets using a stylus provided with the training material. After the training, they can take their notes and training material home on a USB stick.

"This approach saves paper while providing students with a quick and easy way to store their training materials," said Jens Groll, Varian's education manager for the EMEA region. "It has proven very popular among the delegates while demonstrating our commitment to the environment."

"The iPad experience was just fabulous," wrote a customer from Mumbai, India, who was attending a course on IMRT in Cham in January. "Very innovative – keep it up!"



Varian in Global 100 Index of the Most Sustainable Corporations

Varian has been honored for its commitment to sustainability with its inclusion on a prestigious list of the world's most sustainable companies. Varian is the highest-ranked healthcare equipment company among the *Corporate Knights* Global 100 ranking of most sustainable corporations announced at this year's World Economic Forum at Davos, Switzerland.

"We are proud to be recognized for our commitment to sustainability and this will spur us on to continually improve our efforts," said Dow Wilson, Varian's chief executive officer. "Our company's mission is to help save lives around the world and we seek to do this in ways which benefit the communities in which we operate."

To determine the final list, Corporate Knights analyzed more than 4,600 companies against global industry peers using 12 quantitative key performance indicators. The full ranking is published in the annual Global 100 issue of *Corporate Knights* magazine, as well as online, at <http://Global100.org>

"Varian excels both in terms of sustainability performance and disclosure across all 12 indicators used in the assessment," said Michael Yow, lead analyst at Corporate Knights. "It is therefore not a surprise that Varian is the top-ranked healthcare equipment and supplies company in the 2015 Global 100."



Sustainability is the Byword at Salt Lake City Plant

Salt Lake City, Utah, is home to Varian's most people-intensive manufacturing operation. More than 700 men and women work at the facility, each year producing some 25,000 X-ray tubes and 16,000 digital flat panels for the world's X-ray equipment manufacturers.

Along with its lean Six Sigma manufacturing principles, this rapidly expanding headquarters for Varian's Imaging Components division is also notable for its broad range of sustainability initiatives. Each year, facilities manager Jordan Larson reports on outstanding achievements in the areas of energy and water usage, waste reduction and recycling, product reuse and recycling, greening of the supply chain, and employee and community involvement.

"Sustainability is no longer an idea relegated to the environmentalists and, as good corporate citizens, we should be considering the impact of all aspects of our business," says Jordan Larson. "Good sustainability policies not only make good environmental practices, they also make sound financial sense."

A recent initiative is the introduction of an alternative commuting program, which is regularly used by more than 60 employees.

"The weather patterns in this area mean that emissions tend to sit over the valley and the city is constantly looking at ways to reduce them," says Jordan. "The local department for environmental quality visited us to see if there was anything further we could contribute to cutting down emissions and we decided to fund an alternative commuting program."

Under this scheme, Varian funds a shuttle bus to bring employees the five miles from the nearest light rail stations to the office. Shortly after the program was launched – and with U.S. fuel prices at an all-time high – there were up to 70 employees using this program.

In addition, employees are rewarded for car-sharing, cycling and walking to work by receiving cafeteria vouchers worth up to \$25 a week.

"We calculate that through initiatives such as this, we are eliminating around 900 trips a month and taking about 40 cars off the road each day," says Jordan Larson. This equates to nearly 11,000 gallons of gasoline saved and 100 metric tons of CO₂e eliminated each year.



"Sustainability is no longer an idea relegated to the environmentalists. As good corporate citizens, we should be considering the impact of all aspects of our business. Good sustainability policies not only make good environmental practices, they also make sound financial sense."

Jordan Larson, facilities manager, Salt Lake City

	IMPLEMENTED IN 2014	FUTURE PROJECTS: 2015 AND BEYOND
TRANSPORT AND COMMUTING	Alternative commuting program (see above for full details).	- Adding ten electric car charging points to meet a high level of interest in electric cars among employees. - A secure storage facility for employees' bicycles.
ENERGY AND BUILDINGS	- We began a project to achieve LEED "existing building" certification for current office space – it's much harder to achieve this status for existing offices than it is for new builds. - Energy sub-metering has been rolled out in offices to monitor usage and identify ways of reducing over-usage. - Three air compressor systems have been consolidated into one, saving energy.	- LEED Gold status for the new 140 square foot factory expansion. - Onsite solar generation.
WASTE REDUCTION AND RECYCLING	- Up to ten water bottle filling stations have been installed on site to encourage employees to re-use water bottles. - Wood pallets are being recycled rather than ending up in landfill. 'Bright' copper from unused wiring – some dating back to the 1940s – is being recycled.	A pulper for food waste composting.
SUSTAINABILITY AND EMPLOYEE INVOLVEMENT	65 fruit trees have been acquired for an orchard we are planning on our site.	- Creating our onsite fruit tree orchard and a new garden for employees. - Introducing sustainability initiatives at other Varian Imaging Components facilities in Charleston, South Carolina; Liverpool, New York, and Wuxi, near Shanghai.



Governance and Risk Management

At Varian, we believe leadership and ethics start at the top, and our commitment to corporate governance and accountability to stockholders is embodied in all our corporate governance policies.

Leadership and Governance

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

Corporate Citizenship Committee Charter

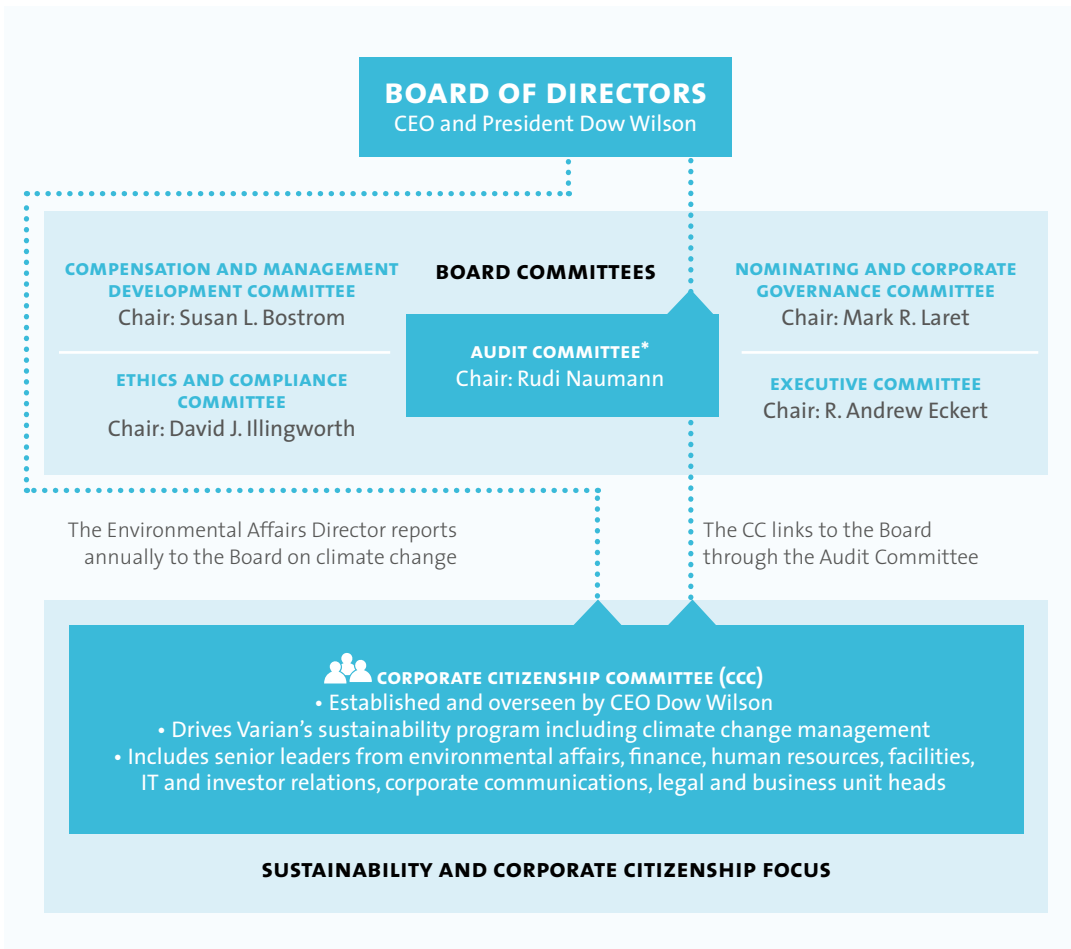
The Corporate Citizenship Committee manages Varian's sustainability efforts and has established the company's sustainability strategy and targets. The committee is also responsible for communicating our sustainability priorities, including our position on climate change, to our stakeholders in order to continually integrate sustainability and climate change management into our business model. In addition, it is responsible for gathering performance data, setting priorities, and assessing emerging sustainability trends and their relevance to Varian Medical Systems.

Risk Management

Like all companies, Varian is subject to various business risks and uncertainties. We are also subject to economic, political, and other factors inherent in doing business globally. All key risks are detailed in our annual report together with mitigation and controls that form part of our risk management program.

Further details, including Board composition and competencies, Board and committee structure, management stock holdings, Corporate Governance Guidelines, and Code of Conduct can be found within the Investor Relations Room at www.varian.com/investor

*** CFO Elisha Finney staffs the Audit Committee and sits on the CCC, offering consistency and accountability for the sustainability program.**



About Our Reporting

The Global Reporting Initiative (GRI) is a not-for-profit organization that provides a comprehensive reporting framework that enables all companies and organizations to disclose their sustainability performance.

This report contains content that references the GRI's G4 guidelines, reporting against self-selected indicators based on material aspects.

The Varian GRI G4 Content Index can be downloaded from our website at www.varian.com

This Sustainability Report is intended for anyone interested in learning about Varian operations.

¹Results may vary. Please see Varian.com for side effect and product information.

Except for historical information, this Sustainability Report contains “forward-looking” statements within the meaning of the Private Securities Litigation Reform Act of 1995. Statements concerning industry outlook, including growth drivers and opportunities in our Oncology Systems, X-ray Products, Security and Inspections Products, and Varian Particle Therapy businesses; future financial or business results or developments; and any statements using the terms “can,” “expect,” “improve,” “could,” “may,” “would,” “will,” “believe,” “hope,” “future,” “aiming,” “vision,” “goal,” “potential,” “continue,” “opportunities,” or similar statements are forward-looking statements that involve risks and uncertainties that could cause our actual results to differ materially from those anticipated. Such risks and uncertainties include the risks described in this document and in the company’s annual report on Form 10-K for the year ended September 28, 2014, and the other risks listed from time to time in the company’s filings with the Securities and Exchange Commission, which by this reference are incorporated herein. We assume no obligation to update or revise any forward-looking statements because of new information, future events, or otherwise.

RapidPlan knowledge-based planning and its models are not intended to replace clinical decisions, provide medical advice or endorse any particular radiation plan or treatment procedure. The patient’s medical professionals are solely responsible for and must rely on their professional clinical judgment when deciding how to plan and provide radiation therapy.