



# GLOBAL REPORTING INITIATIVE INDEX **2017**

This report has been prepared in accordance with the GRI Standards at the Core level.

The data in this report relates to January 1, 2017 to December 31, 2017 unless otherwise stated.

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



## GRI Content Index

### GRI 102: GENERAL STANDARD DISCLOSURES 2016

	GRI Standard	GRI Disclosure	Location and notes
<i>Organization profile</i>			
	102-1	Name of the organization	Varex Imaging Corporation
	102-2	Activities, brands, products, and services	Varex 2017 Annual Report p4-8 <a href="http://investors.vareximaging.com/phoenix.zhtml?c=254464&amp;p=irol-reportsAnnual">http://investors.vareximaging.com/phoenix.zhtml?c=254464&amp;p=irol-reportsAnnual</a>
	102-3	Location of headquarters	Salt Lake City, Utah
	102-4	Location of operations	About Varex p5
	102-5	Ownership and legal form	Varex 2017 Annual Report 10K Part 1 Business Overview, p2 <a href="http://investors.vareximaging.com/phoenix.zhtml?c=254464&amp;p=irol-reportsAnnual">http://investors.vareximaging.com/phoenix.zhtml?c=254464&amp;p=irol-reportsAnnual</a>
	102-6	Markets served	See Varex 2017 Annual Report, 10K Business Overview Part 1, p2-3 <a href="http://investors.vareximaging.com/phoenix.zhtml?c=254464&amp;p=irol-reportsAnnual">http://investors.vareximaging.com/phoenix.zhtml?c=254464&amp;p=irol-reportsAnnual</a>
	102-7	Scale of the organization	At Varex Imaging we have 1,977 employees across 12 manufacturing sites, and 16 sales and engineering locations. About Varex p4-5 Varex 2017 Annual Report, Financial highlights p1 <a href="http://investors.vareximaging.com/phoenix.zhtml?c=254464&amp;p=irol-reportsAnnual">http://investors.vareximaging.com/phoenix.zhtml?c=254464&amp;p=irol-reportsAnnual</a> \$1.3 billion in total capitalization.

	102-8	Information on employees and other workers	<p>a. Varex employs a total of 1,977 employees: 1,743 full-time and 47 temporary employees. 1,373 are men, 417 are women, and 187 are not identified in our Human Resources database due to ongoing Labor Council negotiations.</p> <p>b. Total number of employees by region: Americas – 1,499, Asia Pacific – 239, Europe and Africa – 363</p> <p>c. We do not have a breakdown of employees by employment type by gender.</p> <p>d. Janitorial, food services, and print services are provided by employees of contracted companies. Approximately 50 FTE globally.</p> <p>e. There are no significant variations in the numbers reported in Disclosures 102-8-a, b, c.</p> <p>f. The data was compiled in the Human Resource Information System. The data was only available on 1,790 employees, due to Works Council restrictions.</p>
	102-9	Supply chain	<p>Creating Shared Value p6-7</p> <p>Responsible supply chain p44-45</p> <p>See Varex 2017 Annual Report p2-5</p> <p><a href="http://investors.vareximaging.com/phoenix.zhtml?c=254464&amp;p=irol-reportsAnnual">http://investors.vareximaging.com/phoenix.zhtml?c=254464&amp;p=irol-reportsAnnual</a></p>
	102-10	Significant changes to the organization and its supply chain	<p>No significant changes to the organization. For a general overview of our business in fiscal year 2017, see Varex 2017 Annual Report p2-8</p> <p><a href="http://investors.vareximaging.com/phoenix.zhtml?c=254464&amp;p=irol-reportsAnnual">http://investors.vareximaging.com/phoenix.zhtml?c=254464&amp;p=irol-reportsAnnual</a></p>
	102-11	Precautionary Principle or approach	<p>Although Varex does not explicitly apply the Precautionary Principle, we are developing several risk assessment and management strategies across our operational planning and have considered appropriate risks in our current environmental strategy.</p>
	102-12	External initiatives	<p>We have developed our new sustainability strategy and report in alignment with the UN Sustainable Development Goals, and are reviewing our policies and processes against the UN Global Compact principles.</p>
	102-13	Membership of associations	<p>We are a member of: AdvaMed (Advanced Medical Technology Association), National Association of Manufacturers, Utah Manufacturers Association, BioUtah, and Salt Lake City E2 Business.</p>
Strategy			
	102-14	Statement from senior decision-maker	<p>Welcome p2-3</p>

	102-15	Key impacts, risks, and opportunities	Welcome p2-3 Annual Report on Form 10k, Risk Factors p12-34 <a href="http://investors.vareximaging.com/phoenix.zhtml?c=254464&amp;p=irol-reportsAnnual">http://investors.vareximaging.com/phoenix.zhtml?c=254464&amp;p=irol-reportsAnnual</a>
<i>Ethics and integrity</i>			
	102-16	Values, principles, standards, and norms of behavior	Welcome p2-3 About Varex p4
	102-17	Mechanisms for advice and concerns about ethics	Acting with integrity p38-39 Ethical business p42-43 Our Code of Conduct, posted on <a href="http://www.vareximaging.com">www.vareximaging.com</a> , provides guidelines for seeking advice. Information about our ethical hotline is available on <a href="http://www.vareximaging.com">www.vareximaging.com</a>
<i>Governance</i>			
	102-18	Governance structure	Governance p40-41 Corporate governance <a href="http://investors.vareximaging.com/phoenix.zhtml?c=254464&amp;p=irol-govHighlights">http://investors.vareximaging.com/phoenix.zhtml?c=254464&amp;p=irol-govHighlights</a> Board of Directors <a href="http://investors.vareximaging.com/phoenix.zhtml?c=254464&amp;p=irol-govBoard">http://investors.vareximaging.com/phoenix.zhtml?c=254464&amp;p=irol-govBoard</a> Committee composition <a href="http://investors.vareximaging.com/phoenix.zhtml?c=254464&amp;p=irol-govCommComp">http://investors.vareximaging.com/phoenix.zhtml?c=254464&amp;p=irol-govCommComp</a> Corporate Governance Guidelines, 2018 Proxy Statement p9-19 <a href="http://phx.corporate-ir.net/External.File?item=UGFyZW50SUQ9Mzg3NDk4fENoaWxkSUQ9LTF8VHlwZT0z&amp;t=1&amp;cb=636395545646025618">http://phx.corporate-ir.net/External.File?item=UGFyZW50SUQ9Mzg3NDk4fENoaWxkSUQ9LTF8VHlwZT0z&amp;t=1&amp;cb=636395545646025618</a>
	102-20	Executive-level responsibility for economic, environmental, and social topics	Governance p40-41
	102-21	Consulting stakeholders on economic, environmental, and social topics	What matters most? p8-9 For our first materiality assessment, we conducted interviews and surveys with employees, customers, and other stakeholders to identify material economic, environmental, and social topics.

102-22	Composition of the highest governance body and its committees	<p>Governance p40-41</p> <p>Corporate governance  <a href="http://investors.vareximaging.com/phoenix.zhtml?c=254464&amp;p=irol-govHighlights">http://investors.vareximaging.com/phoenix.zhtml?c=254464&amp;p=irol-govHighlights</a></p> <p>Board of Directors  <a href="http://investors.vareximaging.com/phoenix.zhtml?c=254464&amp;p=irol-govBoard">http://investors.vareximaging.com/phoenix.zhtml?c=254464&amp;p=irol-govBoard</a></p> <p>Committee composition  <a href="http://investors.vareximaging.com/phoenix.zhtml?c=254464&amp;p=irol-govCommComp">http://investors.vareximaging.com/phoenix.zhtml?c=254464&amp;p=irol-govCommComp</a></p> <p>Corporate Governance Guidelines p1, 3, 13 <a href="http://phx.corporate-ir.net/External.File?item=UGFyZW50SUQ9Mzg3NDk4fENoaWxkSUQ9LTF8VHlwZT0z&amp;t=1&amp;cb=636395545646025618">http://phx.corporate-ir.net/External.File?item=UGFyZW50SUQ9Mzg3NDk4fENoaWxkSUQ9LTF8VHlwZT0z&amp;t=1&amp;cb=636395545646025618</a></p> <p>2018 Proxy Statement p9-19  <a href="http://investors.vareximaging.com/phoenix.zhtml?c=254464&amp;p=irol-reportsAnnual">http://investors.vareximaging.com/phoenix.zhtml?c=254464&amp;p=irol-reportsAnnual</a></p> <p>Leadership <a href="https://www.vareximaging.com/leadership">https://www.vareximaging.com/leadership</a></p>
102-23	Chair of the highest governance body	<p>The roles of Chairman and CEO are separate, and the Chairman of the Board of Directors does not serve as an executive officer of the organization.</p> <p>Governance p40-41</p> <p>Corporate governance  <a href="http://investors.vareximaging.com/phoenix.zhtml?c=254464&amp;p=irol-govHighlights">http://investors.vareximaging.com/phoenix.zhtml?c=254464&amp;p=irol-govHighlights</a></p> <p>Corporate Governance Guidelines <a href="http://phx.corporate-ir.net/External.File?item=UGFyZW50SUQ9Mzg3NDk4fENoaWxkSUQ9LTF8VHlwZT0z&amp;t=1&amp;cb=636395545646025618">http://phx.corporate-ir.net/External.File?item=UGFyZW50SUQ9Mzg3NDk4fENoaWxkSUQ9LTF8VHlwZT0z&amp;t=1&amp;cb=636395545646025618</a></p>
102-26	Role of highest governance body in setting purpose, values, and strategy	<p>Governance p40-41</p> <p>Corporate Governance Guidelines [Hyperlink: <a href="http://phx.corporate-ir.net/External.File?item=UGFyZW50SUQ9Mzg3NDk4fENoaWxkSUQ9LTF8VHlwZT0z&amp;t=1&amp;cb=636395545646025618">http://phx.corporate-ir.net/External.File?item=UGFyZW50SUQ9Mzg3NDk4fENoaWxkSUQ9LTF8VHlwZT0z&amp;t=1&amp;cb=636395545646025618</a>]</p> <p>Our Board of Directors does not currently have any external representation on the Board.</p>
102-32	Highest governance body's role in sustainability reporting	<p>The company's CEO, CFO, General Counsel, and other relevant members of the executive team, have formally reviewed and approved the 2017 Sustainability Report.</p>

	102-38	Annual total compensation ratio	Ratio of the annual total compensation of the organization's highest-paid individual in each country of significant operation to the media compensation of all employees. USA: 800% Netherlands: 456% Germany: 279% China: 558% Philippines: 1,747%
	102-39	Percentage increase in annual total compensation ratio	Ratio of the percentage increase in annual total compensation for the organization's highest-paid individual in each country of significant operation to the median percentage increase in annual total compensation for all employees (excluding the highest-paid individual) in the same country. USA: 110% Netherlands: 240% Germany: 107% China: 0% Philippines: 118%
Stakeholder engagement			
	102-40	List of stakeholder groups	Internal management and employees from sites around the globe and across all functions of the business. External community – Salt Lake City and other local and regional government agencies and representatives, P3 Utah and other local and regional industry groups, local utilities, suppliers, investors, and many customers, among others.
	102-41	Collective bargaining agreements	8.5% of total employees are part of work councils, which may cover collective bargaining agreements depending on the country.
	102-42	Identifying and selecting stakeholders	Together, we can do more p 10-11 Through various interactions such as interviews, surveys, and meetings, we formulate engagement programs and a process to identify stakeholders with whom to engage and track progress. We look at stakeholders who have the most influence or impact on and by our business operations. As a public company, our investors are key stakeholders.

	102-43	Approach to stakeholder engagement	We engage with various stakeholders throughout the year on different topics and issues. In addition, we carried out our first materiality assessment involving stakeholders in September 2017. What matters most? p8-9 Together, we can do more p10-11
	102-44	Key topics and concerns raised	What matters most? p8-9 Caring for our customers: a partner for success p23 Supporting a healthy and sustainable Salt Lake City p30-31 Being an employer of choice: Employee engagement p34 Being a good neighbor: Engaging with communities p36
<i>Reporting practice</i>			
	102-45	Entities included in the consolidated financial statements	Annual Report on Form 10-K, Exhibit 21 <a href="http://investors.vareximaging.com/phoenix.zhtml?c=254464&amp;p=irol-reportsAnnual">http://investors.vareximaging.com/phoenix.zhtml?c=254464&amp;p=irol-reportsAnnual</a>
	102-46	Defining report content and topic boundaries	About this report, p3 Appendix: Our material issues
	102-47	List of material topics	What matters most? p8-9 Appendix: Our material issues
	102-48	Restatements of information	Not applicable as this is the first sustainability report published by Varex Imaging.
	102-49	Changes in reporting	Not applicable as this is the first sustainability report published by Varex Imaging.
	102-50	Reporting period	About this report p3
	102-51	Date of most recent report	Not applicable, this is our first sustainability report.
	102-52	Reporting cycle	About this report p3
	102-53	Contact point for questions regarding the report	Get in touch p48
	102-54	Claims of reporting in accordance with the GRI Standards	About this report p3
	102-55	GRI content index	2017 Varex Imaging Corporation GRI Content Index <a href="https://www.vareximaging.com/gri-2017">https://www.vareximaging.com/gri-2017</a>
	102-56	External assurance	About this report p3 DNV GL was engaged to provide assurance of the content of this report. See the DNV GL Limited assurance letter on p46-47.

Material topics			
ECONOMIC			
	GRI Standard	GRI Disclosure	Location and notes
Economic performance			
GRI 103: MANAGEMENT APPROACH 2016			
	103-1	Explanation of the material topic and its boundaries	Varex 2017 Annual Report p4, 7-8 <a href="http://investors.vareximaging.com/phoenix.zhtml?c=254464&amp;p=irol-reportsAnnual">http://investors.vareximaging.com/phoenix.zhtml?c=254464&amp;p=irol-reportsAnnual</a> Appendix: Our material issues Annual Report on Form 10-K
	103-2	The management approach and its components	Varex 2017 Annual Report p4, 7-8 <a href="http://investors.vareximaging.com/phoenix.zhtml?c=254464&amp;p=irol-reportsAnnual">http://investors.vareximaging.com/phoenix.zhtml?c=254464&amp;p=irol-reportsAnnual</a> Governance p40-41 Ethical business p42-43 Hotline reporting <a href="http://investors.vareximaging.com/phoenix.zhtml?c=254464&amp;p=irol-govContact">http://investors.vareximaging.com/phoenix.zhtml?c=254464&amp;p=irol-govContact</a> Code of Conduct <a href="https://www.vareximaging.com/file/5286/download?token=PQBTWWBe">https://www.vareximaging.com/file/5286/download?token=PQBTWWBe</a>
	103-3	Evaluation of the management approach	Corporate Governance Guidelines: Role of the Board <a href="http://phx.corporate-ir.net/External.File?item=UGFyZW50SUQ9Mzg3NDk4fENoaWxkSUQ9LTF8VHlwZT0z&amp;t=1&amp;cb=636395545646025618">http://phx.corporate-ir.net/External.File?item=UGFyZW50SUQ9Mzg3NDk4fENoaWxkSUQ9LTF8VHlwZT0z&amp;t=1&amp;cb=636395545646025618</a> 2018 Proxy Statement p9-19 <a href="http://investors.vareximaging.com/phoenix.zhtml?c=254464&amp;p=irol-reportsAnnual">http://investors.vareximaging.com/phoenix.zhtml?c=254464&amp;p=irol-reportsAnnual</a>



## GRI 201: ECONOMIC PERFORMANCE 2016

201-1	Direct economic value generated and distributed	<p>a. Annual revenue: \$698 million. See Varex 2017 Annual Report p1 for more information  <a href="http://investors.vareximaging.com/phoenix.zhtml?c=254464&amp;p=irol-reportsAnnual">http://investors.vareximaging.com/phoenix.zhtml?c=254464&amp;p=irol-reportsAnnual</a>            See also Annual Report on Form 10-K for more information  <a href="http://investors.vareximaging.com/phoenix.zhtml?c=254464&amp;p=irol-reportsAnnual">http://investors.vareximaging.com/phoenix.zhtml?c=254464&amp;p=irol-reportsAnnual</a></p>
201-2	Financial implications and other risks and opportunities due to climate change	<p>Varex has undertaken business continuity plans to identify risks and opportunities posed by climate change. Several of our sites have physical risks including: cyclones in Charleston and the Philippines, and drought in California and we are in the process of developing a strategy to quantify the financial implications.            See also 2017 Annual Report on Form 10-K p29  <a href="http://investors.vareximaging.com/phoenix.zhtml?c=254464&amp;p=irol-reportsAnnual">http://investors.vareximaging.com/phoenix.zhtml?c=254464&amp;p=irol-reportsAnnual</a></p>
201-3	Defined benefit plan obligations and other retirement plans	<p>In Germany, Japan, and the Philippines, we have a defined benefit plan. Depending on the country, a separate fund exists to pay the plan's pension liabilities. There is currently a plan in process for September 2018, which will allow us to make more specific estimations.</p>
201-4	Financial assistance received from government	<p>Currently in the U.S., Varex matches the first 6% of employee contribution to their 401k plan. 92% of employees in the U.S. participate in the 401k retirement plan.</p> <p>Varex receives \$1.3 million in R&amp;D tax credit from the U.S. Department of the Treasury, and \$1.2 million in Section 199 – Domestic Production Activities Deduction. Regionally, we also receive \$300k from the Utah Department of Revenue R&amp;D, and \$400k from the California Franchise Tax Board R&amp;D.</p> <p>Varex also receives \$349k grant for increase in registered capital from the Xishan Economic and Technological Development Zone in China, as well as \$20k in grants for workshop rentals from the Xishan Economic and Technological Development Zone Management Committee.</p> <p>All financial assistance data above is from the two applicable countries, U.S. and China.</p>

## Market presence

## GRI 103: MANAGEMENT APPROACH 2016

103-1	Explanation of the material topic and its boundaries	Varex 2017 Annual Report p4, 7-8 <a href="http://investors.vareximaging.com/phoenix.zhtml?c=254464&amp;p=irol-reportsAnnual">http://investors.vareximaging.com/phoenix.zhtml?c=254464&amp;p=irol-reportsAnnual</a>
103-2	The management approach and its components	Appendix: Our material issues Varex 2017 Annual Report p4, 7-8 <a href="http://investors.vareximaging.com/phoenix.zhtml?c=254464&amp;p=irol-reportsAnnual">http://investors.vareximaging.com/phoenix.zhtml?c=254464&amp;p=irol-reportsAnnual</a> Governance p40-41 Ethical business p42-43 Hotline reporting <a href="http://investors.vareximaging.com/phoenix.zhtml?c=254464&amp;p=irol-govContact">http://investors.vareximaging.com/phoenix.zhtml?c=254464&amp;p=irol-govContact</a> Code of Conduct <a href="https://www.vareximaging.com/file/5286/download?token=PQBTWWBe">https://www.vareximaging.com/file/5286/download?token=PQBTWWBe</a>
103-3	Evaluation of the management approach	2018 Proxy Statement p9-19 <a href="http://investors.vareximaging.com/phoenix.zhtml?c=254464&amp;p=irol-reportsAnnual">http://investors.vareximaging.com/phoenix.zhtml?c=254464&amp;p=irol-reportsAnnual</a>

**GRI 202: MARKET PRESENCE 2016**

202-1	Ratios of standard entry level wage by gender compared to local minimum wage	
202-2	Proportion of senior management hired from the local community	See Employee Data, table 1. This information is not available as it was not tracked during the 2016-2017 reporting year, but we plan to collect this information in 2018.

**Indirect Economic Impacts****GRI 103: MANAGEMENT APPROACH 2016**

103-1	Explanation of the material topic and its boundaries	Creating shared value p6-7 Appendix: Our material issues Varex 2017 Annual Report p4, 7-8 <a href="http://investors.vareximaging.com/phoenix.zhtml?c=254464&amp;p=irol-reportsAnnual">http://investors.vareximaging.com/phoenix.zhtml?c=254464&amp;p=irol-reportsAnnual</a>
103-2	The management approach and its components	Creating shared value p6-7 Governance p40-41 Ethical business p42-43 Hotline reporting <a href="http://investors.vareximaging.com/phoenix.zhtml?c=254464&amp;p=irol-govContact">http://investors.vareximaging.com/phoenix.zhtml?c=254464&amp;p=irol-govContact</a> Code of Conduct <a href="https://www.vareximaging.com/file/5286/download?token=PQBTWWBe">https://www.vareximaging.com/file/5286/download?token=PQBTWWBe</a> Varex 2017 Annual Report p4, 7-8 <a href="http://investors.vareximaging.com/phoenix.zhtml?c=254464&amp;p=irol-reportsAnnual">http://investors.vareximaging.com/phoenix.zhtml?c=254464&amp;p=irol-reportsAnnual</a>
103-3	Evaluation of the management approach	2018 Proxy Statement p9-19 <a href="http://investors.vareximaging.com/phoenix.zhtml?c=254464&amp;p=irol-reportsAnnual">http://investors.vareximaging.com/phoenix.zhtml?c=254464&amp;p=irol-reportsAnnual</a>

## GRI 203: INDIRECT ECONOMIC IMPACTS 2016

203-1	Infrastructure investments and services supported	In 2017, Varex established an engineering office in San José. We also acquired PerkinElmer's Medical Imaging Company including all their equipment. Land was purchased in Doetinchem Netherlands for a future facility.
203-2	Significant indirect economic impacts	<p>a. As we establish ourselves as a new global company, Varex looks to identify and track the positive and negative impacts associated with our business. We innovate our products using our sustainability innovation criteria, allowing us to improve access to care. This enables more people to have access to medical diagnostics and security systems. As a new company, we have not yet calculated the impacts of these efforts.</p> <p>b. We will look to measure our indirect impacts going forward once we have matured our reporting and data collection processes.</p>

## Procurement Practices

## GRI 103: MANAGEMENT APPROACH 2016

103-1	Explanation of the material topic and its boundaries	<p>Creating shared value p6-7</p> <p>Responsible supply chain, p44-45</p> <p>Appendix: Our material issues</p>
103-2	The management approach and its components	<p>Responsible supply chain p44-45</p> <p>Governance p 40-41</p> <p>Ethical business p42-43</p> <p>Hotline reporting</p> <p><a href="http://investors.vareximaging.com/phoenix.zhtml?c=254464&amp;p=irol-govContact">http://investors.vareximaging.com/phoenix.zhtml?c=254464&amp;p=irol-govContact</a></p> <p>Code of Conduct</p> <p><a href="https://www.vareximaging.com/file/5286/download?token=PQBTWWBe">https://www.vareximaging.com/file/5286/download?token=PQBTWWBe</a></p>
103-3	Evaluation of the management approach	The Supply Chain and Procurement teams works with the Supplier Quality program and with the Legal team to review procurement activities including terms and conditions of master service agreements and purchase orders. See p44-45 for goals, KPIs, and Targets that have resulted from reviews throughout 2017.

## GRI 204: PROCUREMENT PRACTICES 2016

204-1	Proportion of spending on local suppliers	This information is not available as it is currently not tracked, as we conduct comprehensive assessment on our supplier strategy and practices, this data will be tracked going forward, starting in 2018.
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## Anti-corruption

### GRI 103: MANAGEMENT APPROACH 2016

103-1	Explanation of the material topic and its boundaries	Ethical business p42-43 Appendix: Our material issues Code of Conduct <a href="https://www.vareximaging.com/file/5286/download?token=PQBTWWBe">https://www.vareximaging.com/file/5286/download?token=PQBTWWBe</a>
103-2	The management approach and its components	Governance p40-41 Ethical business p42-43 Hotline reporting <a href="http://investors.vareximaging.com/phoenix.zhtml?c=254464&amp;p=irol-govContact">http://investors.vareximaging.com/phoenix.zhtml?c=254464&amp;p=irol-govContact</a> Code of Conduct <a href="https://www.vareximaging.com/file/5286/download?token=PQBTWWBe">https://www.vareximaging.com/file/5286/download?token=PQBTWWBe</a>
103-3	Evaluation of the management approach	Anti-corruption policy and training are evaluated annually under the direction of the General Counsel. Alterations to the training are made based on this evaluation. In 2018, changes were made as a result.

GRI 205: ANTI-CORRUPTION  
2016

205-1	Operations assessed for risks related to corruption	<p>We have assessed operations at 12 sites for risks related to corruption. We also consider our sales teams to be one operation as they span globally, and have assessed the risks of corruption at our sites as well as for our sales teams. While we have not identified any significant risks related to corruption, typically activities involving sales, distribution and interaction with government officials carry the highest risk of corruption (bribes, take-backs). We provide in-person and web-based training to our sales team every year, as well as in-person training to our representatives and distributors every other year. We encourage a culture of integrity, and have an ethical hotline, where anyone can report a possible ethical concern.</p>
205-2	Communication and training about anti-corruption policies and procedures	<p>The company's anti-corruption policies and procedures have been communicated to all 7 of 7 board members. In addition, all of the company's employees globally are informed of the company's Code of Conduct, which includes guidance on anti-corruption policies, and assigned anti-corruption training. 1,977 employees (99% of total) globally have certified to the Code of Conduct. Of this number, 14% are located in EMEA, 13% in APAC, and 14% in the Americas. The company requires all distributors and contract representatives to agree to comply with our Code of Conduct and anti-corruption policies.</p> <p>The company requires all distributors and contract representatives to agree to comply with our Code of Conduct and anti-corruption policies. These business partners receive in-person training every two years. In addition, the company includes in its standard terms and conditions for service providers and suppliers a requirement to become aware of and comply with the company's Code of Conduct and anti-corruption policies, though we do not specifically track or audit this requirement. Non-compliance will subject the business partner to termination. Our Code of Conduct is available on our website, intranet, and upon request.</p>
205-3	Confirmed incidents of corruption and actions taken	<p>We are not aware of any incidents of corruption in 2017 and there were no public legal cases related to corruption in 2017.</p>

Anti-competitive behavior  
GRI 103: MANAGEMENT APPROACH 2016

103-1	Explanation of the material topic and its boundaries	Varex 2017 Annual Report 10K p9 <a href="http://investors.vareximaging.com/phoenix.zhtml?c=254464&amp;p=irol-reportsAnnual">http://investors.vareximaging.com/phoenix.zhtml?c=254464&amp;p=irol-reportsAnnual</a>
103-2	The management approach and its components	Appendix: Our material issues Varex 2017 Annual Report 10K p9 <a href="http://investors.vareximaging.com/phoenix.zhtml?c=254464&amp;p=irol-reportsAnnual">http://investors.vareximaging.com/phoenix.zhtml?c=254464&amp;p=irol-reportsAnnual</a> Governance p40-41 Ethical business p42-43 Hotline reporting <a href="http://investors.vareximaging.com/phoenix.zhtml?c=254464&amp;p=irol-govContact">http://investors.vareximaging.com/phoenix.zhtml?c=254464&amp;p=irol-govContact</a> Code of Conduct <a href="https://www.vareximaging.com/file/5286/download?token=PQBTWWBe">https://www.vareximaging.com/file/5286/download?token=PQBTWWBe</a>
103-3	Evaluation of the management approach	The company's Code of Conduct covers anti-competitive behavior. Relevant policies and appropriate training is overseen by the General Counsel.

#### GRI 206: ANTI-COMPETITIVE BEHAVIOR 2016

206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	There were no pending legal actions in 2017 in relation to anti-competitive behavior.
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## ENVIRONMENTAL

### Materials

#### GRI 103: MANAGEMENT APPROACH 2016

103-1	Explanation of the material topic and its boundaries	Protecting the environment p25 Resource stewardship p26 Appendix: Our material issues
103-2	The management approach and its components	Protecting the environment p25 Resource stewardship p26 Governance p40-41 Ethical business p42-43 Hotline reporting <a href="http://investors.vareximaging.com/phoenix.zhtml?c=254464&amp;p=irol-govContact">http://investors.vareximaging.com/phoenix.zhtml?c=254464&amp;p=irol-govContact</a> Code of Conduct <a href="https://www.vareximaging.com/file/5286/download?token=PQBTWWBe">https://www.vareximaging.com/file/5286/download?token=PQBTWWBe</a>
103-3	Evaluation of the management approach	Protecting the environment p25 Resource stewardship p27 Climate change, energy, and air quality p29 The Environmental, Health and Safety Policy outlines our expectations on resource stewardship, clearly stating that we will minimize the company's environmental impact by incorporating pollution prevention and resource conservation principles in the design, manufacture, marketing, distribution, packaging, use, service and disposal of our products.



## GRI 301: MATERIALS 2016

301-1	Materials used by weight or volume	<p>We do not currently report the weight or volume of materials used although we will consider doing so in the next few years. We have a large and complicated supply chain that makes measuring mass and volume of materials difficult. Varex's global operations place great emphasis on working with suppliers who follow good manufacturing practice and have an established quality system in place. We are working on developing full disclosure on all materials incorporated in our products. We anticipate this exercise will enable us to report on this in the future.</p> <p>Non-renewable materials used to produce and package our products: metals, graphite, plastics, glass, dielectric oil, foam, natural gas, diesel, gasoline, and ceramic.</p> <p>We use the following renewable materials: water, paper, glycol, rubber, and wood.</p>
301-2	Recycled input materials used	The recycled content of input materials is not currently tracked. Efforts are underway to quantify and track these materials, especially the metals, including steel, aluminum, tungsten, and gold.
301-3	Reclaimed products and their packaging materials	<p>6% of X-ray tube packaging is refurbished including foam, cardboard, and wood crates.</p> <p>X-ray customers are given a credit for housings that are reloaded with new tubes. In 2017, 8,002 end-of-life X-ray tubes were returned and approximately 95% of the material from those tubes was recycled or reused. 2,015 flat panel detectors were returned for repair and/or upgrades to extend useful life or were recycled.</p> <p>Waste material is tracked by quantity of refurbished units divided by total units used. Efforts are underway to track the quantity of reclaimed products.</p>

## Energy

### GRI 103: MANAGEMENT APPROACH 2016

103-1	Explanation of the material topic and its boundaries	Protecting the environment p25 Climate change, energy, and air quality p28-29 Appendix: Our material issues
103-2	The management approach and its components	Protecting the environment p25 Climate change, energy, and air quality p28-29 Governance p40-41 Ethical business p42-43 Hotline reporting <a href="http://investors.vareximaging.com/phoenix.zhtml?c=254464&amp;p=irol-govContact">http://investors.vareximaging.com/phoenix.zhtml?c=254464&amp;p=irol-govContact</a> Code of Conduct <a href="https://www.vareximaging.com/file/5286/download?token=PQBTWWBe">https://www.vareximaging.com/file/5286/download?token=PQBTWWBe</a> The Environmental, Health, and Safety Policy states the goal to "Minimize the company's environmental impact by incorporating pollution prevention and resource conservation principles in the design, manufacture, marketing, distribution, packaging, use, service, and disposal of our products."
103-3	Evaluation of the management approach	The Facilities and Sustainability teams routinely evaluate energy use and opportunities for efficiency improvements. A full inventory of energy use is conducted and practices are reviewed annually. New climate change and energy goals have been set as a result (Climate change, energy, and air quality p29).

## GRI 302: ENERGY 2016

302-1	Energy consumption within the organization	<p>Total fuel consumption within the organization from non-renewable resources, in joules:</p> <p>Natural gas: 78,553,821 MJ</p> <p>Electricity: 172,123,579 MJ</p> <p>Diesel: 939,629 MJ</p> <p>Gasoline: 2,100,455 MJ</p> <p>Liquefied propane: 97,592 KJ</p> <p>Bottled gases in KJ: 12 bottles (designer propane)</p> <p>Total fuel consumption within the organization from renewable resources, in joules: 7,443,360 MJ</p> <p>- Electricity consumption in watt-hours: 47,812,105 kWh</p> <p>- Steam: 1,221,787 MMBtu</p> <p>Total energy consumption within the organization in joules: 255,036,863 MJ</p> <p>For standards, methodologies, assumptions, and/or calculation tools, and the source of the conversion factors used, see our basis for reporting.</p>
302-2	Energy consumption outside of the organization	This information is not available as we currently do not track energy use outside our organization.
302-3	Energy intensity	Energy intensity ratio for the organization: 0.37 mJ/\$ sales, calculated on the basis of 2017 sales of \$698.1 million. In these calculations, we included electrical power, natural gas, diesel fuel, gasoline, and propane consumption within the organization.
302-4	Reduction of energy consumption	<p>As a result of efficiency initiatives, we have reduced energy (electricity) consumption by 4,463,712 MJ in the reporting year.</p> <p>These reductions were calculated from verified utility provider incentive reports and the savings were calculated by the electrical utility provider based on individual project details.</p>
302-5	Reductions in energy requirements of products and services	There were no known reductions in 2017 in the energy requirements of our products and services.

## Water

### GRI 103: MANAGEMENT APPROACH 2016

103-1	Explanation of the material topic and its boundaries	Protecting the environment p25 Resource stewardship p26-27 Appendix: Our material issues
103-2	The management approach and its components	Protecting the environment p25 Resource stewardship p26-27 Governance p40-41 Ethical business p42-43 Hotline reporting <a href="http://investors.vareximaging.com/phoenix.zhtml?c=254464&amp;p=irol-govContact">http://investors.vareximaging.com/phoenix.zhtml?c=254464&amp;p=irol-govContact</a> Code of Conduct <a href="https://www.vareximaging.com/file/5286/download?token=PQBTWWBe">https://www.vareximaging.com/file/5286/download?token=PQBTWWBe</a> The Environmental, Health, and Safety Policy states the goal to "Minimize the company's environmental impact by incorporating pollution prevention and resource conservation principles in the design, manufacture, marketing, distribution, packaging, use, service, and disposal of our products."
103-3	Evaluation of the management approach	The Sustainability and Environmental teams monitor water use as well as conducting an annual review against the goals on p27 and additional areas for improvement. New goals have been developed as a result of the water use baselining undertaken.

#### GRI 303: WATER 2016

303-1	Water withdrawal by source	The total volume of water withdrawn in the reporting year: 242,011 m <sup>3</sup> . 24,377 m <sup>3</sup> were from ground water, and 217,634 m <sup>3</sup> were withdrawn from municipal water supplies.
303-2	Water sources significantly affected by withdrawal of water	No water sources were significantly affected by our withdrawal of water.
303-3	Water recycled and reused	Varex uses closed-loop cooling systems in Salt Lake City, Utah and Santa Clara, California. The amount of water is not tracked as it cycles through the loops.

#### Emissions

##### GRI 103: MANAGEMENT APPROACH 2016

103-1	Explanation of the material topic and its boundaries	Protecting the environment p25 Climate change, energy, and air quality p28-29 Appendix: Our material issues
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103-2	The management approach and its components	<p>Protecting the environment p25</p> <p>Climate change, energy, and air quality p28-29</p> <p>Governance p40-41</p> <p>Ethical business p42-43</p> <p>Hotline reporting</p> <p><a href="http://investors.vareximaging.com/phoenix.zhtml?c=254464&amp;p=irol-govContact">http://investors.vareximaging.com/phoenix.zhtml?c=254464&amp;p=irol-govContact</a></p> <p>Code of Conduct</p> <p><a href="https://www.vareximaging.com/file/5286/download?token=PQBTWWBe">https://www.vareximaging.com/file/5286/download?token=PQBTWWBe</a></p> <p>The Environmental, Health, and Safety Policy states the goal to "Minimize the company's environmental impact by incorporating pollution prevention and resource conservation principles in the design, manufacture, marketing, distribution, packaging, use, service, and disposal of our products."</p>
103-3	Evaluation of the management approach	<p>The Sustainability and Environmental teams monitor emissions as well as conducting an annual review against the goals on p29 and additional areas for improvement.</p> <p>Several opportunities for improvement have been identified and will be implemented in 2018.</p>

## GRI 305: EMISSIONS 2016

305-1	Direct (Scope 1) GHG emissions	<p>There were 21,018 metric tons (direct) of CO<sub>2</sub> equivalent emissions in 2017. All CO<sub>2</sub> emissions are non-biogenic. This calculation included all gases: CO<sub>2</sub>, CH<sub>4</sub>, N<sub>2</sub>O, HFCs, PFCs, SF<sub>6</sub>, and NF<sub>3</sub>, and factors provided by the U.S. EPA were used for the calculation.</p> <p>The consolidation approach for emissions is operational control.</p> <p>Standards, methodologies, assumptions: the Greenhouse Gas Protocol Corporate Accounting and Reporting Standard was used in conjunction with the EPA Climate Leadership reporting tool. Estimates of energy use at sites: &lt;631 m<sup>2</sup>.</p>
305-2	Energy indirect (Scope 2) GHG emissions	<p>- Gross location-based energy indirect (Scope 2) GHG emissions :17,767 metric tons of CO<sub>2</sub> equivalent.</p> <p>- Gross market-based energy indirect (Scope 2) GHG emissions: 4,174 metric tons of indirect CO<sub>2</sub> equivalent.</p> <p>For these calculations, we included all gases (includes CO<sub>2</sub>, CH<sub>4</sub>, N<sub>2</sub>O, HFCs, PFCs, SF<sub>6</sub>, NF<sub>3</sub>) and 2017 will be our baseline year as it is our first reporting year.</p> <p>Market-based factors for Salt Lake City, UT were provided by Rocky Mountain Power. Santa Clara, CA factors were provided by Silicon Valley Power. All remaining U.S. factors are from U.S. EPA electric grid for location based, and state specific for market-based emissions. Any action-based factors outside the U.S. were taken from the International Energy Agency 2017 report, and from the Association of Issuing Bodies for European Residual Mixes for market-based factors.</p> <p>We used an operational control consolidation approach for emissions. Standards, methodologies, assumptions, and/or calculations tools used: the Greenhouse Gas Protocol Corporate Accounting and Reporting Standard were used in conjunction with the EPA Climate Leadership reporting tool. Estimates of energy use at sites: &lt;631 m<sup>2</sup>.</p>

305-3	Other indirect (Scope 3) GHG emissions	<p>Gross other indirect (Scope 3) GHG emissions: 4,521 metric tons of CO<sub>2</sub>e. We have calculated emission for business travel booked by our designated travel agency and any product transportation that took place using the corporate shipping account.</p> <p>For these calculations, we only accounted for CO<sub>2</sub> equivalent and all emissions are biogenic.</p> <p>For these calculations on emissions travel, we used factors for travel from U.S. EPA and on product transport emissions, factors from Defra averages.</p> <p>Standards, methodologies and/or assumptions for calculations: the Greenhouse Gas Protocol Corporate Accounting and Reporting Standard was used in conjunction with the EPA Climate Leadership reporting tool. Estimates of energy use at sites: &lt;631 m<sup>2</sup>.</p>
305-4	GHG emissions intensity	<p>GHG emissions intensity ratio for the organization:</p> <ul style="list-style-type: none"> <li>- Location based 64 grams CO<sub>2</sub>e/\$ sales</li> <li>- Market based 77 grams CO<sub>2</sub>e/\$ sales</li> </ul> <p>As the denominator, we used the 2017 sales of \$698.1 million.</p> <p>For calculating the intensity ratio, we included Scope 1, 2, and 3 (direct and indirect) GHG emissions, which includes business travel and product transport. For this calculation, we included all gases: CO<sub>2</sub>, CH<sub>4</sub>, N<sub>2</sub>O, HFCs, PFCs, SF<sub>6</sub>, and NF<sub>3</sub>.</p>

305-5	Reduction of GHG emissions	<p>We achieved a reduction of 781.5 metric tons of CO<sub>2</sub>e from energy- efficiency projects in 2017, which is our first reporting year.</p> <p>In these calculations, we have included all gases, CO<sub>2</sub>, CH<sub>4</sub>, N<sub>2</sub>O, HFCs, PFCs, SF<sub>6</sub>, and NF<sub>3</sub>.</p> <p>Emissions reductions took place in Scope 2, 22 metric tons of CO<sub>2</sub>e savings from electric car charging stations and Scope 3 by employee commute.</p> <p>Standards, methodologies, assumptions and/or calculation tools used: the Greenhouse Gas Protocol Corporate Accounting and Reporting Standard was used in conjunction with the EPA Climate Leadership reporting tool. Estimates of energy use at sites: &lt;631 m<sup>2</sup>.</p>
305-6	Emissions of ozone-depleting substances (ODS)	Varex Imaging did not produce any emissions of ozone-depleting substances in 2017.
305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	<p>Significant air emissions, in kilograms or multiples, for each of the following:</p> <ul style="list-style-type: none"> <li>- NOx: 8.2 kg</li> <li>- SOx: 116.7kg</li> <li>- No persistent organic pollutants (POP)</li> <li>- VOCs: 27.6 metric tons, 6,954 MMBtu of VOCs oxidized</li> </ul> <p>None or no significant emissions of hazardous air pollutants (HAP), particulate matter (PM) or other standard categories of air emissions identified in relevant regulations.</p> <p>For these calculations, we used U.S. EPA emission factors and U.S. EPA standards.</p>



## Effluents and waste

### GRI 103: MANAGEMENT APPROACH 2016

103-1	Explanation of the material topic and its boundaries	Protecting the environment p25 Resource stewardship p26-27 Appendix: Our material issues
103-2	The management approach and its components	Protecting the environment p25 Resource stewardship p26-27 Governance p40-41 Ethical business p42-43 Hotline reporting <a href="http://investors.vareximaging.com/phoenix.zhtml?c=254464&amp;p=irol-govContact">http://investors.vareximaging.com/phoenix.zhtml?c=254464&amp;p=irol-govContact</a> Code of Conduct <a href="https://www.vareximaging.com/file/5286/download?token=PQBTWWBe">https://www.vareximaging.com/file/5286/download?token=PQBTWWBe</a> The Environmental, Health, and Safety Policy states the goal to "Minimize the company's environmental impact by incorporating pollution prevention and resource conservation principles in the design, manufacture, marketing, distribution, packaging, use, service, and disposal of our products."
103-3	Evaluation of the management approach	The Sustainability and Environmental teams monitor effluents and waste as well as conducting an annual review against the goals on p27 and additional areas for improvement. Several opportunities for improvement have been identified and will be implemented in 2018.

### GRI 306: EFFLUENTS AND WASTE 2016

306-1	Water discharge by quality and destination	Total volume of planned and unplanned water discharges: - 78,831 m <sup>3</sup> of water treated and discharged to the sanitary sewer.  The discharged water was treated to meet permit requirements, undergoing neutralization and clarification. None of the water we discharged was reused by another organization.
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306-2	Waste by type and disposal method	<p>Total weight of hazardous waste in 2017 was 101 tons. We recycled 48.8 tons, recovered 2.3 tons, and 33.3 tons were incinerated. We did not track how much of this waste was reused.</p> <p>Total weight of non-hazardous waste was 1,065.6 tons. We recycled 418.3 tons, composted 16.6 tons, and 630.6 tons was taken to the landfill. We did not track how much of our waste was reused in 2017.</p>
306-3	Significant spills	We did not have any significant spills globally in 2017.
306-4	Transport of hazardous waste	There was a total of 101 tons of hazardous waste transported by recycling/disposal vendors to recycling/disposal sites.
306-5	Water bodies affected by water discharges and/or runoff	All water discharges are to sanitary or municipal storm sewers and there are no significant impacts to water bodies or habitats as a result.

## Environmental Compliance

### GRI 103: MANAGEMENT APPROACH 2016

103-1	Explanation of the material topic and its boundaries	<p>Ethical business p42-43</p> <p>Appendix: Our material issues</p>
103-2	The management approach and its components	<p>Ethical business p42-43</p> <p>Governance p40-41</p> <p>Hotline reporting</p> <p><a href="http://investors.vareximaging.com/phoenix.zhtml?c=254464&amp;p=irol-govContact">http://investors.vareximaging.com/phoenix.zhtml?c=254464&amp;p=irol-govContact</a></p> <p>Code of Conduct</p> <p><a href="https://www.vareximaging.com/file/5286/download?token=PQBTWWBe">https://www.vareximaging.com/file/5286/download?token=PQBTWWBe</a></p> <p>Environmental Health and Safety Policy outlines our expectations on resource stewardship and environmental compliance.</p>
103-3	Evaluation of the management approach	Resource stewardship and Climate change, energy, and air quality goals p27 and 29.

## GRI 307: ENVIRONMENTAL COMPLIANCE 2016

307-1	Non-compliance with environmental laws and regulations	There were no fines or non-monetary sections for non-compliance with environmental laws across all operations.
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## Supplier Environmental Assessment

### GRI 103: MANAGEMENT APPROACH 2016

103-1	Explanation of the material topic and its boundaries	Responsible supply chain p44-45 Appendix: Our material issues
103-2	The management approach and its components	Responsible supply chain p44-45 Ethical business p42-43 Governance p40-41 Hotline reporting <a href="http://investors.vareximaging.com/phoenix.zhtml?c=254464&amp;p=irol-govContact">http://investors.vareximaging.com/phoenix.zhtml?c=254464&amp;p=irol-govContact</a> Code of Conduct <a href="https://www.vareximaging.com/file/5286/download?token=PQBTWWBe">https://www.vareximaging.com/file/5286/download?token=PQBTWWBe</a>
103-3	Evaluation of the management approach	We are adding environmental criteria into our Supplier Quality program to identify where the negative impacts lie in order to address them going forward. We will be reviewing our new Supplier Quality program once a year in order to evaluate its effectiveness going forward. The program will help us to achieve our Responsible supply chain goals on p45.

## GRI 308: SUPPLIER ENVIRONMENTAL ASSESSMENT 2016

308-1	New suppliers that were screened using environmental criteria	None of our suppliers were screened using environmental criteria in 2017. Going forward, our new Master Services Agreements and purchase order terms and conditions include environmental criteria such as REACH, WEE, and other relevant criteria. In 2018, we also plan to incorporate environmental criteria into our supplier quality audit program, where suppliers will be screened every four years.
308-2	Negative environmental impacts in the supply chain and actions taken	We did not screen our suppliers for environmental impacts in 2017. However, we plan to screen them in 2018 and going forward. The largest volume material we source is metal and some conflict metals, which may have a negative environmental impact in our supply chain due to raw material extraction.  We will assess this in 2018 and going forward, as we embed environmental criteria into our supplier quality audit program, and look to report the rest of this information in the next reporting year.

## SOCIAL

### Employment

#### GRI 103: MANAGEMENT APPROACH 2016

103-1	Explanation of the material topic and its boundaries	Being an employer of choice p34-35 Appendix: Our material issues
103-2	The management approach and its components	Being an employer of choice p34-35 Ethical business p42-43 Governance p40-41 Hotline reporting <a href="http://investors.vareximaging.com/phoenix.zhtml?c=254464&amp;p=irol-govContact">http://investors.vareximaging.com/phoenix.zhtml?c=254464&amp;p=irol-govContact</a> Code of Conduct <a href="https://www.vareximaging.com/file/5286/download?token=PQBTWWBe">https://www.vareximaging.com/file/5286/download?token=PQBTWWBe</a>
103-3	Evaluation of the management approach	The Human Resources department is responsible for the periodic review of employment practices.

#### GRI 401: EMPLOYMENT 2016

401-1	New employee hires and employee turnover	See Employee Data, table 6.
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	We provide life insurance, healthcare, disability, short-term disability insurance, and we provide maternity leave since 2017. We provide a matching of up to 100% of 6% in the U.S. for retirement. We have an employee stock option purchasing program. We do not distinguish between full- and part-time employees.  See Varex 2017 Varex Annual Report for more information <a href="http://investors.vareximaging.com/phoenix.zhtml?c=254464&amp;p=irol-reportsAnnual">http://investors.vareximaging.com/phoenix.zhtml?c=254464&amp;p=irol-reportsAnnual</a>
401-3	Parental leave	In 2018 we will begin implementing paternity leave.  All female employees were entitled to maternity leave in 2017, and one female employee took maternity leave and returned to work in the same year. As 2017 is our first reporting year, we will be able to begin reporting on the number of employees that returned to work after parental leave that were still employed 12 months after their return, in 2018. For 2017, the rate of employees who returned to work after parental leave and remained at Varex was female: 100%, male: n/a.

## Labor/Management Relations

### GRI 103: MANAGEMENT APPROACH 2016

103-1	Explanation of the material topic and its boundaries	Being an employer of choice p34-35 Appendix: Our material issues
103-2	The management approach and its components	Being an employer of choice p34-35 Ethical business p42-43 Governance p40-41 Hotline reporting <a href="http://investors.vareximaging.com/phoenix.zhtml?c=254464&amp;p=irol-govContact">http://investors.vareximaging.com/phoenix.zhtml?c=254464&amp;p=irol-govContact</a> Code of Conduct <a href="https://www.vareximaging.com/file/5286/download?token=PQBTWWBe">https://www.vareximaging.com/file/5286/download?token=PQBTWWBe</a>
103-3	Evaluation of the management approach	The Human Resources department is responsible for reviewing labor/management relation policies and addresses any issues as they arise.

## GRI 402: LABOR/MANAGEMENT RELATIONS 2016

402-1	Minimum notice periods regarding operational changes	The minimum number of weeks' notice typically provided to employees and their representatives varies from as few as three months up to six months depending on location. This notice period includes employees or organizations with collective bargaining agreements.
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## Occupational Health and Safety

## GRI 103: MANAGEMENT APPROACH 2016

103-1	Explanation of the material topic and its boundaries	Empowering people and communities p32-33 Being an employer of choice, p34-35 Appendix: Our material issues
103-2	The management approach and its components	Empowering people and communities p32-33 Being an employer of choice p34-35 Ethical business p42-43 Governance p40-41 Hotline reporting <a href="http://investors.vareximaging.com/phoenix.zhtml?c=254464&amp;p=irol-govContact">http://investors.vareximaging.com/phoenix.zhtml?c=254464&amp;p=irol-govContact</a> Code of Conduct <a href="https://www.vareximaging.com/file/5286/download?token=PQBTWWBe">https://www.vareximaging.com/file/5286/download?token=PQBTWWBe</a> Employee Health and Safety Policy states: "It is Varex's policy to provide employees with a safe and healthy work environment and to prevent injuries by implementing effective accident prevention programs."
103-3	Evaluation of the management approach	Health and safety is a joint responsibility shared by management and employees. The Environmental, Health, and Safety Executive Council conducts an annual review of the performance and management of the organization. Local representatives assess and evaluate performance at each site.

## GRI 403: OCCUPATIONAL HEALTH AND SAFETY 2016

403-1	Workers representation in formal joint management-worker health and safety committees	Formal joint management worker health and safety committees typically operate at site level. 16% of Varex workers are represented by formal joint management-worker health and safety committees.
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403-2	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	<p>Types of injury, injury rate (IR), occupational disease rate (ODR), lost day rate (LDR), absentee rate (AR) and work-related fatalities for all employees:</p> <ul style="list-style-type: none"> <li>- By region: U.S. 1.422 OSHA Rate 0.71 Dart Rate, Europe had no reported injuries. Asia: 0.047 injury rate.</li> <li>- By gender: U.S. 54% female, 46% male. Gender data was not tracked in other regions in 2017.</li> </ul> <p>Injuries include accidents, slips and falls, repetitive motion, lifting, and chemical burn. In recording and reporting accident statistics, we followed country-specific rules at each location.</p>
403-3	Workers with high incidence or high risk of diseases related to their occupation	Musculoskeletal risks are the key occupational-related health risk identified at Varex. Due to this, we train and perform ergonomic risk assessments, and provide employees with the resources to minimize this risk. Workers are monitored for noise, lead, and radiation exposure with no incidents in 2017.
403-4	Health and safety topics covered in formal agreements with trade unions	Health and safety agreements with works councils covers employees in Germany and the Netherlands. We do not disclose which health and safety topics are covered by these agreements.

## Training and Education

### GRI 103: MANAGEMENT APPROACH 2016

103-1	Explanation of the material topic and its boundaries	<p>Empowering people and communities p32-33</p> <p>Being an employer of choice, p34-35</p> <p>Appendix: Our material issues</p>
103-2	The management approach and its components	<p>Empowering people and communities p32-33</p> <p>Being an employer of choice p34-35</p> <p>Ethical business p42-43</p> <p>Governance p40-41</p> <p>Hotline reporting</p> <p><a href="http://investors.vareximaging.com/phoenix.zhtml?c=254464&amp;p=irol-govContact">http://investors.vareximaging.com/phoenix.zhtml?c=254464&amp;p=irol-govContact</a></p> <p>Code of Conduct</p> <p><a href="https://www.vareximaging.com/file/5286/download?token=PQBTWWBe">https://www.vareximaging.com/file/5286/download?token=PQBTWWBe</a></p>

103-3	Evaluation of the management approach	<p>When an employee is hired, promoted, or transferred, the manager or supervisor assigns necessary training based on the employee's education, background, experience, and assigned responsibilities. The employee is responsible for completing any assigned training on time and must provide his or her manager with documentation of any required training that is not tracked in the learning management system.</p> <p>We are in the process of correcting a flawed link between our employee and training databases that will verify that all employees are in the learning management system and will enable us to better evaluate our training going forward.</p>
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#### GRI 404: TRAINING AND EDUCATION 2016

404-1	Average hours of training per year per employee	We did not track this information in the 2017 reporting year, but are planning to implement a new recording and data collection system, which will allow us to gather this information in the next year.
404-2	Programs for upgrading employee skills and transition assistance programs	<p>In the U.S., we provide a tuition reimbursement program for U.S. employee college courses.</p> <p>We do not have a program for employee termination or a retirement training program; however, we will look into developing this as needed.</p>
404-3	Percentage of employees receiving regular performance and career development reviews	<p>Being an employer of choice p34-35</p> <p>All employees (100%) received a regular annual performance review.</p>



## Diversity and Equal Opportunity

### GRI 103: MANAGEMENT APPROACH 2016

103-1	Explanation of the material topic and its boundaries	<p>Empowering people and communities p32-33</p> <p>Being an employer of choice p34-35</p> <p>Appendix: Our material issues</p>
103-2	The management approach and its components	<p>Empowering people and communities p32-33</p> <p>Being an employer of choice p34-35</p> <p>Ethical business p42-43</p> <p>Governance p40-41</p> <p>Hotline reporting</p> <p><a href="http://investors.vareximaging.com/phoenix.zhtml?c=254464&amp;p=irol-govContact">http://investors.vareximaging.com/phoenix.zhtml?c=254464&amp;p=irol-govContact</a></p> <p>Code of Conduct</p> <p><a href="https://www.vareximaging.com/file/5286/download?token=PQBTWWBe">https://www.vareximaging.com/file/5286/download?token=PQBTWWBe</a></p> <p>Our Equal Employment Opportunity Policy and the Employment Policy address issues of diversity and equal opportunity.</p>
103-3	Evaluation of the management approach	<p>Varex will administer its Human Resources policies and conduct its employment practices in a manner that treats each employee and applicant for employment on the basis of merit, experience, and other work-related criteria without regard to race, color, religion, sex (including pregnancy, childbirth, or related medical condition), national origin, ancestry, sexual orientation, age, marital status, disability (mental or physical), veteran status or any other protected class under relevant state and federal laws.</p> <p>Each Varex site in the U.S. has an Affirmative Action Plan and has an assigned Equal Employment Opportunity Official who has the responsibility to develop the plan as well as to monitor overall program effectiveness. However, management personnel at every level must share in the responsibility for promoting affirmative action and equal employment opportunity for compliance purposes.</p>

## GRI 405: DIVERSITY AND EQUAL OPPORTUNITY 2016

405-1	Diversity of governance bodies and employees	<p>Percentage of individuals within the organization's various bodies in each of the following diversity categories:</p> <p>Board of Directors</p> <ul style="list-style-type: none"> <li>- Male: 72%, female: 28%.</li> <li>- Under 30 years old: 0, 30-50 years old: 0, over 50 years old: 100%</li> </ul> <p>All employees</p> <ul style="list-style-type: none"> <li>- 23.4% of total employees are female. 8.9% of engineers are female. 17.8% of employees in leadership roles are female.</li> <li>- Under 30 years old: 20%, 30-50 years old: 42%, over 50 years old: 38%</li> </ul> <p>During this reporting year, we did not track percentage of individuals in certain minority or vulnerable group categories.</p>
405-2	Ratio of basic salary and remuneration of women to men	<p>The gender pay ratio is 0.977 globally. This calculation excludes Walluf and Bremen, Germany.</p>

## Non-discrimination

### GRI 103: MANAGEMENT APPROACH 2016

103-1	Explanation of the material topic and its boundaries	<p>Empowering people and communities p32-33</p> <p>Being an employer of choice p34-35</p> <p>Appendix: Our material issues</p>
103-2	The management approach and its components	<p>Empowering people and communities p32-33</p> <p>Being an employer of choice p34-35</p> <p>Ethical business p42-43</p> <p>Governance p40-41</p> <p>Hotline reporting</p> <p><a href="http://investors.vareximaging.com/phoenix.zhtml?c=254464&amp;p=irol-govContact">http://investors.vareximaging.com/phoenix.zhtml?c=254464&amp;p=irol-govContact</a></p> <p>Code of Conduct</p> <p><a href="https://www.vareximaging.com/file/5286/download?token=PQBTWWBe">https://www.vareximaging.com/file/5286/download?token=PQBTWWBe</a></p> <p>Our Employment Policy and Equal Employment Opportunity Policy outline our expectations on a workplace free from discrimination and harassment.</p>

103-3	Evaluation of the management approach	Each Varex site in the U.S. has an Affirmative Action Plan and has an assigned Equal Employment Opportunity Official who has the responsibility to develop the plan as well as to monitor overall program effectiveness. However, management personnel at every level must share in the responsibility for promoting affirmative action and equal employment opportunity for compliance purposes.
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#### GRI 406: NON-DISCRIMINATION 2016

406-1	Incidents of discrimination and corrective actions taken	There were no findings of discrimination in 2017.
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#### Freedom of Association and Collective Bargaining

#### GRI 103: MANAGEMENT APPROACH 2016

103-1	Explanation of the material topic and its boundaries	Acting with integrity p38-39 Ethical business p42-43 Appendix: Our material issues
103-2	The management approach and its components	Acting with integrity p38-39 Ethical business p42-43 Governance p40-41 Hotline reporting <a href="http://investors.vareximaging.com/phoenix.zhtml?c=254464&amp;p=irol-govContact">http://investors.vareximaging.com/phoenix.zhtml?c=254464&amp;p=irol-govContact</a> Code of Conduct <a href="https://www.vareximaging.com/file/5286/download?token=PQBTWWBe">https://www.vareximaging.com/file/5286/download?token=PQBTWWBe</a> Freedom of association and collective bargaining is addressed in our Employment Policy. We also comply with the local laws in the locations where we operate.
103-3	Evaluation of the management approach	Legal and HR teams conduct periodic reviews to assess compliance to laws and regulations in locations where we operate. Changes are made as needed.

#### GRI 407: FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING 2016

407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	We are in the process of assessing our key sustainability-related risks in our supply chain, and will look to report on this in 2018.
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#### Child Labor

#### GRI 103: MANAGEMENT APPROACH 2016

103-1	Explanation of the material topic and its boundaries	Acting with integrity p38-39 Ethical business p42-43 Responsible supply chain p44-45 Appendix: Our material issues
103-2	The management approach and its components	Acting with integrity p38-39 Ethical business p42-43 Responsible supply chain p44-45 Governance p40-41 Hotline reporting <a href="http://investors.vareximaging.com/phoenix.zhtml?c=254464&amp;p=irol-govContact">http://investors.vareximaging.com/phoenix.zhtml?c=254464&amp;p=irol-govContact</a> Code of Conduct <a href="https://www.vareximaging.com/file/5286/download?token=PQBTWWBe">https://www.vareximaging.com/file/5286/download?token=PQBTWWBe</a> Child Labor is addressed in our Employment Policies, and Conflict Minerals Policy.
103-3	Evaluation of the management approach	We are adding human rights criteria (including prevention of child labor) into our Supplier Quality program to identify where the negative impacts lie in order to address them going forward. We will be reviewing our new Supplier Quality program once a year in order to evaluate its effectiveness. The program will help us to achieve our Responsible supply chain goals on p45.

#### GRI 408: CHILD LABOR 2016

408-1	Operations and suppliers at significant risk for incidents of child labor	Varex Imaging has an international supply chain and is assessing risks of child labor or young workers exposed to hazardous work. Work is underway to include assessments regarding human rights into our Supplier Quality program.
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#### Forced or Compulsory Labor

#### GRI 103: MANAGEMENT APPROACH 2016

103-1	Explanation of the material topic and its boundaries	Acting with integrity p38-39 Ethical business p42-43 Responsible supply chain p44-45 Appendix: Our material issues
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103-2	The management approach and its components	<p>Acting with integrity p38-39</p> <p>Ethical business p42-43</p> <p>Responsible supply chain p44-45</p> <p>Governance p40-41</p> <p>Hotline reporting</p> <p><a href="http://investors.vareximaging.com/phoenix.zhtml?c=254464&amp;p=irol-govContact">http://investors.vareximaging.com/phoenix.zhtml?c=254464&amp;p=irol-govContact</a></p> <p>Code of Conduct</p> <p><a href="https://www.vareximaging.com/file/5286/download?token=PQBTWWBe">https://www.vareximaging.com/file/5286/download?token=PQBTWWBe</a></p> <p>Forced labor is addressed in our Employment Policy, and Conflict Minerals Policy.</p>
103-3	Evaluation of the management approach	<p>We are adding human rights criteria (including prevention of forced or compulsory labor) into our Supplier Quality program to identify where the negative impacts lie in order to address them going forward. We will be reviewing our new Supplier Quality program once a year in order to evaluate its effectiveness. The program will help us to achieve our Responsible supply chain goals on p45.</p>

#### GRI 409: FORCED OR COMPULSORY LABOR 2016

409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	<p>Varex Imaging has an international supply chain and is assessing risks of forced or compulsory labor. Work is underway to include assessments regarding forced or compulsory labor in our Supplier Quality program.</p>
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#### Human Rights Assessment

#### GRI 103: MANAGEMENT APPROACH 2016

103-1	Explanation of the material topic and its boundaries	<p>Acting with integrity p38-39</p> <p>Ethical business p42-43</p> <p>Responsible supply chain p44-45</p> <p>Appendix: Our material issues</p>
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103-2	The management approach and its components	<p>Acting with integrity p38-39</p> <p>Ethical business p42-43</p> <p>Responsible supply chain p44-45</p> <p>Governance p40-41</p> <p>Hotline reporting</p> <p><a href="http://investors.vareximaging.com/phoenix.zhtml?c=254464&amp;p=irol-govContact">http://investors.vareximaging.com/phoenix.zhtml?c=254464&amp;p=irol-govContact</a></p> <p>Code of Conduct</p> <p><a href="https://www.vareximaging.com/file/5286/download?token=PQBTWWBe">https://www.vareximaging.com/file/5286/download?token=PQBTWWBe</a></p> <p>Human rights are addressed in our Employment policies, and Conflict Minerals Policy.</p>
103-3	Evaluation of the management approach	<p>We are adding human rights criteria into our Supplier Quality program to identify where the negative impacts lie in order to address them going forward. We will be reviewing our new Supplier Quality program once a year in order to evaluate its effectiveness. The program will help us to achieve our Responsible supply chain goals on p45.</p>

#### GRI 412: HUMAN RIGHTS ASSESSMENT 2016

412-1	Operations that have been subject to human rights reviews or impact assessments	None of our operations have been subject to human rights review or impact assessments in 2017.
412-2	Employee training on human rights policies or procedures	No human rights training was conducted in 2017.
412-3	Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	There were no investment agreements and contracts that include human rights clauses or that underwent human rights screening.

#### Local Communities

#### GRI 103: MANAGEMENT APPROACH 2016

103-1	Explanation of the material topic and its boundaries	<p>Being a good neighbor p36-37</p> <p>What matters most? p9</p> <p>Appendix: Our material issues</p>
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103-2	The management approach and its components	Being a good neighbor p36-37 Ethical business p42-43 Governance p40-41 Hotline reporting <a href="http://investors.vareximaging.com/phoenix.zhtml?c=254464&amp;p=irol-govContact">http://investors.vareximaging.com/phoenix.zhtml?c=254464&amp;p=irol-govContact</a> Code of Conduct <a href="https://www.vareximaging.com/file/5286/download?token=PQBTWWBe">https://www.vareximaging.com/file/5286/download?token=PQBTWWBe</a>
103-3	Evaluation of the management approach	Varex aspires to contribute to the communities where we operate. Page 37 outlines our goals and KPIs that we judge our performance against.  The Board of Directors Nominating and Corporate Governance Committee conducts an annual review of our corporate giving and other societal responsibilities.  These programs were established based on the first annual review and will be evaluated going forward on a yearly basis.

#### GRI 413: LOCAL COMMUNITIES 2016

413-1	Operations with local community engagement, impact assessments, and development programs	Varex Imaging is a new company and is in the process of developing a global strategy around local community engagement and related assessments and programs.
413-2	Operations with significant actual and potential negative impacts on local communities	With our current operations, we do not have any significant impacts on local communities, but as we develop a clearer global strategy on Being a good neighbor, we will track this information as necessary.

#### Supplier Social Assessment

#### GRI 103: MANAGEMENT APPROACH 2016

103-1	Explanation of the material topic and its boundaries	Acting with integrity p38-39 Ethical business p42-43 Responsible supply chain p44-45 What matters most? p9 Appendix: Our material issues
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103-2	The management approach and its components	<p>Acting with integrity p38-39</p> <p>Responsible supply chain p44-45</p> <p>Ethical business p42-43</p> <p>Governance p40-41</p> <p>Hotline reporting</p> <p><a href="http://investors.vareximaging.com/phoenix.zhtml?c=254464&amp;p=irol-govContact">http://investors.vareximaging.com/phoenix.zhtml?c=254464&amp;p=irol-govContact</a></p> <p>Code of Conduct</p> <p><a href="https://www.vareximaging.com/file/5286/download?token=PQBTWWBe">https://www.vareximaging.com/file/5286/download?token=PQBTWWBe</a></p>
103-3	Evaluation of the management approach	We are currently establishing our management approach by developing our Supplier Quality program and incorporating social and environmental criteria into it. Once our Supplier Quality program is up and running, we will review the outcomes of our supplier audits to see where the most material negative impacts are to help us develop a targeted approach to managing and evaluating these impacts going forward.

#### GRI 414: SUPPLIER SOCIAL ASSESSMENT 2016

414-1	New suppliers that were screened using social criteria	Work is underway to include social assessment as a criteria in our Supplier Quality program.
414-2	Negative social impacts in the supply chain and actions taken	We did not conduct any assessments in 2017 but are in the process of developing a more robust system to implement and report on this issue.

#### Public Policy

#### GRI 103: MANAGEMENT APPROACH 2016

103-1	Explanation of the material topic and its boundaries	<p>Acting with integrity p38-39</p> <p>Ethical business p42-43</p> <p>What matters most? p9</p> <p>Appendix: Our material issues</p>
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103-2	The management approach and its components	<p>Acting with integrity p38-39</p> <p>Ethical business p42-43</p> <p>Governance p40-41</p> <p>Hotline reporting</p> <p><a href="http://investors.vareximaging.com/phoenix.zhtml?c=254464&amp;p=irol-govContact">http://investors.vareximaging.com/phoenix.zhtml?c=254464&amp;p=irol-govContact</a></p> <p>Code of Conduct</p> <p><a href="https://www.vareximaging.com/file/5286/download?token=PQBTWWBe">https://www.vareximaging.com/file/5286/download?token=PQBTWWBe</a></p>
103-3	Evaluation of the management approach	<p>Our Code of Conduct and Anti-Corruption Policy provide guidance on political contributions and other public policy issues.</p> <p>Acting with integrity p38-39</p> <p>Ethical business p42-43</p> <p>Any request for reimbursement of political contribution is monitored as part of the expense and accounting processes.</p>

#### GRI 415: PUBLIC POLICY 2016

415-1	Political contributions	We do not give political donations globally.
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#### Customer Health and Safety

#### GRI 103: MANAGEMENT APPROACH 2016

103-1	Explanation of the material topic and its boundaries	<p>Product safety and quality p20-21</p> <p>Caring for our customers: a partner for success p22-23</p> <p>Appendix: Our material issues</p>
103-2	The management approach and its components	<p>Product safety and quality p20-21</p> <p>Caring for our customers: a partner for success p22-23</p> <p>Ethical business p42-43</p> <p>Governance p40-41</p> <p>Hotline reporting</p> <p><a href="http://investors.vareximaging.com/phoenix.zhtml?c=254464&amp;p=irol-govContact">http://investors.vareximaging.com/phoenix.zhtml?c=254464&amp;p=irol-govContact</a></p> <p>Code of Conduct</p> <p><a href="https://www.vareximaging.com/file/5286/download?token=PQBTWWBe">https://www.vareximaging.com/file/5286/download?token=PQBTWWBe</a></p>

103-3	Evaluation of the management approach	<p>Product safety and quality p20-21</p> <p>The Regulatory Affairs department, led by the VP of Regulatory Affairs, oversees ongoing compliance with industry-specific regulation regarding customer health and safety. This includes, but is not limited to, regulations defined by: U.S. FDA, Health Canada, European MDD, Chinese GMP, and relevant radiation safety regulatory agencies in America as well as in other countries worldwide. And, to have relevant standards such as ISO 13485 and IEC 60601-1.</p> <p>As a result of our ongoing compliance review, we are harmonizing our processes and practices globally in order to facilitate compliance activities.</p>
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#### GRI 416: CUSTOMER HEALTH AND SAFETY 2016

416-1	Assessment of the health and safety impacts of product and service categories	Varex operates in heavily regulated industries that require the assessment of certain products and services for health and safety impacts.
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	<p>See Varex 2017 Annual Report  <a href="http://investors.vareximaging.com/phoenix.zhtml?c=254464&amp;p=irol-reportsAnnual">http://investors.vareximaging.com/phoenix.zhtml?c=254464&amp;p=irol-reportsAnnual</a>]</p> <p>Varex operates in heavily regulated industries and incidents of non-compliance concerning the health and safety impacts of our products and services would be reported as appropriate.</p>

#### Marketing and Labeling

#### GRI 103: MANAGEMENT APPROACH 2016

103-1	Explanation of the material topic and its boundaries	<p>Caring for our customers: a partner for success p22-23</p> <p>Ethical business p42-43</p> <p>Appendix: Our material issues</p>
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103-2	The management approach and its components	<p>Caring for our customers: a partner for success p22-23</p> <p>Ethical business p42-43</p> <p>Governance p40-41</p> <p>Hotline reporting</p> <p><a href="http://investors.vareximaging.com/phoenix.zhtml?c=254464&amp;p=irol-govContact">http://investors.vareximaging.com/phoenix.zhtml?c=254464&amp;p=irol-govContact</a></p> <p>Code of Conduct</p> <p><a href="https://www.vareximaging.com/file/5286/download?token=PQBTWWBe">https://www.vareximaging.com/file/5286/download?token=PQBTWWBe</a></p>
103-3	Evaluation of the management approach	<p>We operate in heavily regulated industries and evaluate our marketing and labeling against the standards set forth by the regulating bodies. Issues are tracked and processes are adjusted to remediate any deficiencies. The Regulatory Affairs department, led by the VP of Regulatory Affairs, oversees this ongoing process.</p>

#### GRI 417: MARKETING AND LABELING 2016

417-1	Requirements for product and service information and labeling	<p>In our product information and labeling, we provide the sourcing of components of the product, the content, particularly with regard to substances that might produce an environmental or social impact, safe use of the product or services, and disposal of the product and environmental or social impacts.</p> <p>100% of our products are covered by and assessed for compliance with such procedures.</p>
417-2	Incidents of non-compliance concerning product and service information and labeling	<p>There were no incidents of non-compliance concerning products and service information and labeling.</p>
417-3	Incidents of non-compliance concerning marketing communications	<p>There were no incidents of non-compliance concerning marketing communications.</p>

**Customer Privacy****GRI 103: MANAGEMENT****APPROACH 2016**

103-1	Explanation of the material topic and its boundaries	Caring for our customers: a partner for success p22-23 Ethical business p42-43 What matters most? p9 Appendix: Our material issues
103-2	The management approach and its components	Caring for our customers: a partner for success p22-23 Ethical business p42-43 Governance p40-41 Hotline reporting <a href="http://investors.vareximaging.com/phoenix.zhtml?c=254464&amp;p=irol-govContact">http://investors.vareximaging.com/phoenix.zhtml?c=254464&amp;p=irol-govContact</a> Code of Conduct <a href="https://www.vareximaging.com/file/5286/download?token=PQBTWWBe">https://www.vareximaging.com/file/5286/download?token=PQBTWWBe</a> Customer Data Privacy Policy outlines privacy principles, customer data privacy requirements, enforcement, and compliance.
103-3	Evaluation of the management approach	Caring for our customers: a partner for success: Data, security and privacy p22.  The Data Privacy Officer is responsible for the periodic review of the policy and changes to customer privacy requirements and regulations.

**GRI 418: CUSTOMER PRIVACY 2016**

418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	There were no substantiated complaints received concerning breaches of customer privacy in the reporting year.
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## Socioeconomic Compliance

### GRI 103: MANAGEMENT APPROACH 2016

103-1	Explanation of the material topic and its boundaries	Acting with integrity p38-39 Ethical business p42-43 What matters most? p9 Appendix: Our material issues
103-2	The management approach and its components	Acting with integrity p38-39 Ethical business p42-43 Governance p40-41 Hotline reporting <a href="http://investors.vareximaging.com/phoenix.zhtml?c=254464&amp;p=irol-govContact">http://investors.vareximaging.com/phoenix.zhtml?c=254464&amp;p=irol-govContact</a> Code of Conduct <a href="https://www.vareximaging.com/file/5286/download?token=PQBTWWBe">https://www.vareximaging.com/file/5286/download?token=PQBTWWBe</a>
103-3	Evaluation of the management approach	Effectiveness is evaluated against goals and KPIs on Ethical business p43 and Responsible supply chain p45.

### GRI 419: SOCIOECONOMIC COMPLIANCE 2016

419-1	Non-compliance with laws and regulations in the social and economic area	There were no such incidents in the reporting year.
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## Appendix 1 - Employee Data

**Table 1 Living Wage**

Living Wage	Low	Standard Entry Level Wage	Living Wage 2x2	Living Wage 1	Minimum	Ratio to Minimum
Salt Lake City	\$ 26,624.00	\$ 31,402.00	\$ 35,446.80	\$ 24,982.80	\$ 16,895.00	1.8587
Las Vegas	\$ 35,505.00	\$ 37,724.00	\$ 34,836.40	\$ 23,914.60	\$ 17,985.00	2.0975
Santa Clara and San José	\$ 45,989.00	\$ 52,437.00	\$ 45,998.00	\$ 36,733.00	\$ 23,980.00	2.1867
Downers Grove	\$ 31,054.00	\$ 39,957.00	\$ 36,798.40	\$ 28,449.00	\$ 17,985.00	2.2217
North Charleston	\$ 31,200.00	\$ 36,213.00	\$ 32,002.40	\$ 25,767.60	\$ 16,895.00	2.1434
Wuxi, China	\$ 7,255.00	\$ 9,978.00		\$ 7,532.64	\$ 3,267.00	3.0542
Calamba, Philippines	\$ 1,794.00	\$ 2,150.00	\$ 6,098.67		\$ 2,621.46	0.8202
The Netherlands	\$ 25,034.00	\$ 36,863.00	€ 15,960.00	€ 12,360.00	€ 18,619.20	1.9798
Germany	\$ 40,243.00	\$ 42,578.00	€ 13,680.00	€ 19,800.00	€ 17,976.00	2.3686

**Table 2 Totals (\*\*Excludes Walluf and Bremen)**

Total Salaries 2017	\$ 116,294,282.00
Total # of employees 2017	1786
Total # of women employed	418
Total # of women engineers	30
Percent and # of women in leadership roles	40
Percentage of total employees covered by collective bargaining agreements	None in U.S.

0.2340 418 out of 1786

0.0890 30 out of 337

0.1778 40 out of 225

**Indicators**

**Table 3**

Ratio of the annual total compensation for the organization's highest-paid individual in each country of significant operations to the median annual total compensation for all employees (excluding the highest-paid individual) in the same country.			
	Highest	Median (excluding Highest)	Ratio
USA	\$ 620,000.00	\$ 77,472.00	800%
Netherlands	\$ 266,570.00	\$ 58,474.00	456%
Germany	\$ 125,327.00	\$ 44,930.00	279%
China	\$ 232,560.00	\$ 41,670.00	558%
Philippines	\$ 85,479.00	\$ 4,894.00	1747%

**Table 4**

Ratio of the percentage increase in annual total compensation for the organization's highest-paid individual in each country of significant operations to the median percentage increase in annual total compensation for all employees (excluding the highest-paid individual) in the same country.			
	% Increase Highest	Median (excluding Highest)	Ratio
USA	0.0333	0.0303	110%
Netherlands	0.0290	0.0121	240%
Germany	0.0310	0.029	107%
China	0.0000	0.0503	0%
Philippines	0.0500	0.0425	118%

Table 5

% of Management Local to country of operation	Managers	Local Managers	Ratio
USA			Not tracked
Netherlands			Not tracked
Germany			Not tracked
China			Not tracked
Philippines			Not tracked

Table 6

a. Total number and rate of new employee hires during the reporting period, by age group, gender and region. b. Total number and rate of employee turnover during the reporting period, by age group, gender and region.									
Male	Under 30			30-50			Over 50		
	Total	New	Turnover	Total	New	Turnover	Total	New	Turnover
Americas	170	60	36	450	119	42.0000	375	88	24
APAC	61	19	11	104	13	6.0000	12	3	2
Europe	16	12	5	88	26	6.0000	34	11	
Female	Under 30			30-50			Over 50		
	Total	New	Turnover	Total	New	Turnover	Total	New	Turnover
Americas	58	28	18	143	46	17.0000	153	38	13
APAC	4	3	3	34	8	3.0000	2		1
Europe	1		1	20	11	1.0000	3		1



Table 7

Ratio of the basic salary and remuneration of women to men for each employee category, by significant locations of operation.						
Americas	Women	Men	Ratio	Job Level Count	Job Level %	Weighted Avg
Dir	\$ 171,802	\$ 182,063	0.94	26	1.43%	0.0135
EVP		\$ 385,875	-	1	0.05%	-
Mgmt 1	\$ 82,034	\$ 92,028	0.89	7	0.38%	0.0034
Mgmt 2	\$ 111,570	\$ 99,825	1.12	36	1.98%	0.0221
Mgmt 3	\$ 125,546	\$ 119,871	1.05	39	2.14%	0.0224
Prof 1	\$ 64,702	\$ 65,911	0.98	14	0.77%	0.0076
Prof 2	\$ 64,098	\$ 74,990	0.85	87	4.78%	0.0409
Prof 3	\$ 90,255	\$ 100,370	0.90	121	6.65%	0.0598
Prof 4	\$ 106,783	\$ 123,806	0.86	130	7.14%	0.0616
Prof 5	\$ 127,026	\$ 140,602	0.90	35	1.92%	0.0174
Prof 6	\$ 102,906	\$ 207,421	0.50	5	0.27%	0.0014
Sr Dir		\$ 217,914	-	5	0.27%	-
Sr Mgr	\$ 141,675	\$ 147,563	0.96	43	2.36%	0.0227
Supp 1	\$ 30,369	\$ 33,179	0.92	133	7.31%	0.0669
Supp 2	\$ 39,656	\$ 39,424	1.01	165	9.07%	0.0912
Supp 3	\$ 48,920	\$ 51,351	0.95	285	15.66%	0.1492
Supp 4	\$ 60,308	\$ 63,994	0.94	134	7.36%	0.0694
Supp 5	\$ 73,870	\$ 75,573	0.98	70	3.85%	0.0376
SVP	\$ 334,425	\$ 330,672	1.01	5	0.27%	0.0028
VP		\$ 260,610	-	6	0.33%	-
			0.9272			

**Table 8**

Ratio of the basic salary and remuneration of women to men for each employee category, by significant locations of operation.						
Europe	Women	Men	Ratio	Job Level Count	Job Level %	Weighted Avg
Dir		\$ 215,827	-	2	0.11%	-
Mgmt 1		\$ 52,044	-	3	0.16%	-
Mgmt 2		\$ 83,961	-	15	0.82%	-
Mgmt 3		\$ 93,958	-	6	0.33%	-
Prof 1	\$ 31,293	\$ 32,684	0.96	7	0.38%	0.0037
Prof 2	\$ 52,299	\$ 59,277	0.88	25	1.37%	0.0121
Prof 3	\$ 72,278	\$ 69,078	1.05	44	2.42%	0.0253
Prof 4	\$ 68,833	\$ 90,200	0.76	20	1.10%	0.0084
Prof 5		\$ 104,888	-	3	0.16%	-
Sr Dir		\$ 174,584	-	2	0.11%	-
Sr Mgr	\$ 87,741	\$ 178,474	0.49	7	0.38%	0.0019
Supp 1	\$ 84,092	\$ 49,920	1.68	6	0.33%	0.0056
Supp 2	\$ 32,535	\$ 36,563	0.89	54	2.97%	0.0264
Supp 3	\$ 49,886	\$ 45,681	1.09	29	1.59%	0.0174
Supp 4		\$ 63,226	-	19	1.04%	-
Supp 5		\$ 66,593	-	3	0.16%	-
VP		\$ 266,570	-	2	0.11%	-
			0.98			

**Table 9**

Ratio of the basic salary and remuneration of women to men for each employee category, by significant locations of operation.				Job Level Count	Job Level %	Weighted Avg
APAC	Women	Men	Ratio			
Dir		\$ 185,896	-	3	0.16%	-
Mgmt 1	\$ 18,003	\$ 15,069	1.19	10	0.55%	0.0066
Mgmt 2	\$ 21,301	\$ 64,237	0.33	7	0.38%	0.0013
Mgmt 3	\$ 115,357	\$ 92,726	1.24	7	0.38%	0.0048
Prof 1	\$ 6,556	\$ 7,655	0.86	4	0.22%	0.0019
Prof 2	\$ 9,561	\$ 17,445	0.55	19	1.04%	0.0057
Prof 3	\$ 21,160	\$ 41,965	0.50	19	1.04%	0.0053
Prof 4	\$ 31,872	\$ 60,121	0.53	8	0.44%	0.0023
Prof 6		\$ 87,940	-	1	0.05%	-
Sr Mgr		\$ 98,868	-	2	0.11%	-
Supp 1	\$ 3,319	\$ 3,902	0.85	58	3.19%	0.0271
Supp 2	\$ 7,548	\$ 3,673	2.05	39	2.14%	0.0440
Supp 3	\$ 28,373	\$ 9,061	3.13	31	1.70%	0.0533
Supp 4	\$ 23,512	\$ 5,278	4.45	14	0.77%	0.0343
Supp 5		\$ 4,734	-	4	0.22%	-
			1.05			
				1,820	1.0000	97.7%

## Appendix 2 - Our Material Issues

Material issue definitions and boundaries (where the impacts of our material issue lie across our value chain)

Material issues	Definitions	SUPPLY CHAIN	VAREX IMAGING (MANUFACTURING, R&D, DESIGN, SERVICES)	LOGISTICS	CUSTOMER USE	PRODUCT END OF LIFE
Better health	Developing advanced medical diagnostics and treatments to improve health and save lives.		X		X	
Safer, more secure world	Innovating our industrial products to create a safer world.		X		X	
Product safety and quality	Ensuring that safety and quality are at the heart of product design and development.	X	X	X	X	
Customer care	Providing a high-quality service at all stages of the relationship with customers.	X	X	X	X	X
Climate change, energy, and air quality	Reduce the amount of energy used in the company's manufacturing and operational processes. Reduce air pollution and increase renewable electricity use.	X	X	X	X	
Resource stewardship	Prevent waste at source and use resources such as water and raw materials efficiently. Design products to improve recyclability.	X	X	X	X	X
Being an employer of choice	Offering existing and potential employees a fair, safe and rewarding work environment where diversity and equal opportunity are core values. Upholding and respecting human rights including labor rights such as freedom of association and collective bargaining.		X			
Being a good neighbor	Involvement and engagement with local communities to create positive social impacts.		X			
Responsible growth	Running the business with the aim of ensuring sustainable, profitable growth to create value over the long term.	X	X		X	
Ethical business	Compliance with codes of conduct and legal obligations governing all aspects of business, as well as ensuring transparent disclosure on performance and strategy. Ensuring human rights are respected throughout operations and supply chains in line with expectations and local law.	X	X	X	X	X
Sourcing responsibly	Sourcing beyond economic considerations alone, by taking environmental, social, and ethical factors into consideration.	X		X		