



SECURING A
**HEALTHIER,
SAFER FUTURE**

2021 GLOBAL REPORTING INDEX

GRI INDEX

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

The data in this report relates to October 1, 2020 to September 31, 2021 unless otherwise stated. For a detailed explanation of the indicators, visit the [GRI website](#).

GRI Disclosure	Location and notes
GRI 2: General Disclosures 2021	
2-1 Organizational details	Varex Imaging Corporation Location of headquarters: Salt Lake City, Utah, United States of America Location of operations: Varex 2021 Annual Report, Form 10-K, p 36
2-2 Entities included in the organization's sustainability reporting	We have included 12 production facilities and 15 sales and engineering offices around the world in this reporting. All locations are Varex companies. Varex 2021 Annual Report, Form 10-K, p 3
2-3 Reporting period, frequency and contact point	The 2021 ESG report is following our fiscal calendar of October 1, 2020 to September 31, 2021, unless otherwise noted. About this report, p 3 For questions on this report, please contact Jordan Larson via email: jordan.larson@vareximaging.com
2-4 Restatements of information	No material restatements of information.
2-5 External assurance	Assurance statement. p 33 About this report, p 3
2-6 Activities, value chain and other business relationships	About Varex, p 5-6 Creating shared value, p 7-8 Responsible supply chain, p 32 Varex 2021 Annual Report, Form 10-K, p 3-6 At Varex Imaging we have 12 manufacturing sites, and 15 sales and engineering locations. Varex completed the closure of its glass panel fabrication process in Santa Clara, California. Facility closure and environmental cleanup will be completed 4th quarter of 2021.

GRI Disclosure	Location and notes
2-7 Employees	<p>Varex employs a total of 1,823 full time employees. 409 are women and 1,242 are men, 172 unstated. This number does not include our Walluf and Bremen locations due to ongoing labor council discussions.</p> <p>Total number by region: Americas 1,216, EMEA 336, APAC 271.</p> <p>We do not have a breakdown of employees by employment type by gender. These are two separate indicators for data collection and they have not been combined. We are working to collect this information in the coming years.</p> <p>There are no significant variations in the numbers reported in Disclosures 2-7.</p> <p>The data was compiled in the Human Resource Information System. The data was only available for approx. 1,800 employees, due to Works Council restrictions.</p>
2-8 Workers who are not employees	<p>Janitorial and foods service are provided by employees of contracted companies. Approximately 50 FTE globally.</p>
2-9 Governance structure and composition	<p>Governance, p 30</p> <p>Corporate Governance Guidelines</p> <p>Board of Directors</p> <p>Committee Composition</p> <p>2021 Proxy Statement, p 57</p> <p>Governance hotline reporting</p>
2-10 Nomination and selection of the highest governance body	<p>Corporate Governance Guidelines</p>
2-11 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, p 30</p> <p>Corporate Governance Guidelines</p>
2-12 Role of the highest governance body in overseeing the management of impacts	<p>Governance, p 30</p> <p>Board of Directors</p> <p>Our Board of Directors does not currently have any external representation on the Board.</p> <p>ESG Assessment, p 12</p> <p>In our materiality assessment, we conducted interviews and surveys with employees, customers, and other stakeholders to identify material economic, environmental, and social topics.</p>
2-13 Delegation of responsibility for managing impacts	<p>Governance, p 30</p>
2-14 Role of the highest governance body 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 2021 Sustainability Report.</p>
2-15 Conflicts of interest	<p>Corporate Governance Guidelines</p>

GRI Disclosure	Location and notes
2-16 Communication of critical concerns	<p>In fiscal year 2021, we established a management-level Executive Compliance Committee (“ECC”) to oversee our ESG and compliance programs and activities. The ECC meets quarterly and was formed to assist the Nominating Committee in fulfilling its oversight responsibilities with respect to ESG matters, and to assist with promoting an organizational culture that encourages law abiding and ethical conduct. The members of the ECC are our Chief Executive Officer, Chief Financial Officer, Chief Legal Officer, Chief HR Officer, Senior Vice President of Sales & Marketing, Vice President of Software Solutions and Vice President of Regulatory and Quality.</p> <p>Hotline metrics are reported quarterly to the ECC and to the Audit Committee of the Board of Directors and/or the full Board, and any notable matters discussed orally.</p> <p>b. In FY21, 18 complaints were made through our hotline, 15 of which related to workplace matters, one related to data security, and two were inquiries.</p>
2-17 Collective knowledge of the highest governance body	Varex is not disclosing this metric at this time.
2-18 Evaluation of the performance of the highest governance body	Varex is not disclosing this metric at this time.
2-19 Remuneration policies	https://www.vareximaging.com/sec-filings/
2-20 Process to determine remuneration	https://www.vareximaging.com/sec-filings/
2-21 Annual total compensation ratio	See Appendix, Employee data, Table 1, p 22
2-22 Statement on sustainable development strategy	A letter from Varex's CEO, Sunny Sanyal, p 4
2-23 Policy commitments	<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> <p>About Varex, p 6</p> <p>Creating shared value, p 7-8</p> <p>Human Rights Policy</p>
2-24 Embedding policy commitments	<p>The Company embeds its policy commitments into its operations in a number of ways. Notably,</p> <p>i. Owners of policies are responsible for training stakeholders appropriately so that stakeholders are aware of their responsibilities. Some processes have regular checkpoints and updates, other processes are integrated into our annual internal audit plan that tests compliance to policies. Yet others are worked into our Sarbanes Oxley controls and monitored on a quarterly and/or annual basis.</p> <p>ii. See i above.</p> <p>iii. The Company has a third-party code of conduct that applies to third parties with which the Company does business. In addition, it posts contractual and compliance flowdowns on its website. Our standard contract requires compliance with these flowdowns.</p> <p>iv. Owners of policies are responsible for training stakeholders appropriately so that stakeholders are aware of their responsibilities. Training is created by the owner and assigned and managed through our online learning management system.</p>

GRI Disclosure	Location and notes
2-25 Processes to remediate negative impacts	Varex 2021 Annual Report, Form 10-K Governance, p 30 Ethical business, p 38-39 Governance hotline reporting Code of Conduct
2-26 Mechanisms for seeking advice and raising concerns	Acting with integrity, p 37 Ethical business, p 38-39 Our Code of Conduct provides guidelines for seeking advice. Information about our Ethical Hotline is available on our website .
2-27 Compliance with laws and regulations	There were no incidents for non-compliance with laws and regulations in the social and economic areas in the reporting year. There were no fines or non-monetary sections for non-compliance with environmental laws across all operations.
2-28 Membership associations	We are a member of: AdvaMed (Advanced Medical Technology Association), National Association of Manufacturers, Utah Manufacturers Association, BioUtah, and Salt Lake City E2 Business. We are also an active member of the ChamberWest Chamber of Commerce at the Salt Lake City facility.
2-29 Approach to stakeholder engagement	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, local and regional industry groups, local utilities, suppliers, investors, and many customers, among others. Through various interactions like 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. We want to understand the Environmental, Social, and Governance (ESG) issues that matter most to our stakeholders and that will have the biggest impact on our business. That is why we performed our second materiality assessment in 2020, to understand if changes to our business in the last three years have impacted our material issues. We interviewed senior management, sales representatives, production managers and engineers, customers, and vendors as part of the assessment. ESG Assessment, p 12
2-30 Collective bargaining agreements	Percentage of total employees covered by collective bargaining agreements is 8.5%.
GRI 3: Material Topics 2021	
3-1 Process to determine material topics	About this report, p 3 ESG Assessment, p 12 Human Rights Policy
3-2 List of material topics	ESG Assessment, p 12 No changes in reporting.

GRI Disclosure	Location and notes
3-3 Management of material topics	<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> <p>Varex 2021 Annual Report, Form 10-K</p> <p>Governance, p 30</p> <p>Ethical business, p 38-39</p> <p>Governance hotline reporting</p> <p>Code of Conduct</p> <p>Corporate Governance Guidelines: Role of the Board and Management</p> <p>2021 Proxy Statement</p> <p>Human Rights Policy</p>
GRI 201: Economic Performance 2016	
201-1 Direct economic value generated and distributed	<p>See Varex 2021 Annual Report</p> <p>a. i. Annual revenue: \$738 million</p> <p>About Varex, p 3</p> <p>Creating shared value, p 7-8</p> <p>We do not currently report direct economic value generated and distributed by country, region, or at market level. Significant is defined as a site with engineering or production facilities. As this is our global report, market or facility-level data is not available and we do not intend to report it in future years.</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 and volcanos in the Philippines, and earthquakes in Utah and California, and we are in the process of developing a strategy to quantify the financial implications. Data is currently unavailable.</p>
201-3 Defined benefit plan obligations and other retirement plans	<p>Outside the U.S. we have a defined benefit plan. Depending on the country, a separate fund exists to pay the plan's pension liabilities. There is currently an ongoing plan in process, which will allow us to make more specific estimations.</p> <p>Currently in the U.S., Varex matches the first 3% of employee contributions to their 401k plan. 92% of employees in the U.S. participate in the 401k retirement plan.</p>
201-4 Financial assistance received from government	<p>Varex received \$1.2M in R&D tax credits from the U.S. Department of the Treasury. Regionally, we also received \$112K from the Utah Department of Revenue EDTIF, and \$9K from the Utah Department of Revenue R&D.</p> <p>Data for foreign governments (non-U.S.) is currently not available. We will look to disclose this data next year.</p>
GRI 202: Market Presence 2016	
202-1 Ratios of standard entry level wage by gender compared to local minimum wage	<p>We do not currently report living wage data by gender as the data is currently unavailable.</p>
202-2 Proportion of senior management hired from the local community	<p>We do not have a specific standard for local hiring of senior management. Senior management is generally understood as Director level and up. Significant locations of operation would be defined as a production or engineering/production location.</p> <p>We do not have a geographical definition for "local." Data is currently unavailable; however, we will look to report next year.</p>

GRI Disclosure	Location and notes
GRI 203: Indirect Economic Impacts 2016	
203-1 Infrastructure investments and services supported	Work on our Connect and Control production facility in Calamba, Philippines got underway.
203-2 Significant indirect economic impacts	As we continue to establish ourselves as a new global company, Varex looks to identify and track the positive and negative impacts. We innovate our products using our Sustainability Innovation Guidelines, allowing us to improve access to care. This enables more people to have access to medical diagnostics and security systems. A viable metric for this has not yet been established.
GRI 204: Procurement Practices 2016	
204-1 Proportion of spending on local suppliers	<p>The procedure and definitions are still being developed and determined; therefore, the data is currently not available. We are looking to report this in the future as our business matures. Most of our materials are of a relatively specific nature and we have to use the suppliers that meet our stringent specifications.</p> <p>The Supply Chain and Procurement teams work 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. Due to the COVID-19 impacts of 2021, a lot of the normal assessments did not take place but will be reimplemented in 2022.</p>
GRI 205: Anti-corruption 2016	
205-1 Operations assessed for risks related to corruption	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, we provide in-person and web-based training to our sales teams 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. The 12 sites assessed are our production facilities which account for 44% of our locations but constitute the majority of our employees. We have an additional 15 sales and engineering offices globally.
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 seven of seven 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. Approx. 99% of total employees globally have certified to the Code of Conduct. 100% of incoming employees at all global operations are trained on the Code of Conduct, excluding any contracted workers.</p> <p>The company requires all distributors and contract representatives to agree to comply with our Code of Conduct and anti-corruption policies. 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	We are not aware of any incidents of corruption in 2021 and there were no public legal cases related to corruption in 2021.
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 2021 in relation to anti-competitive behavior.

GRI Disclosure	Location and notes
GRI 301: Materials 2016	
301-1 Materials used by weight or volume	<p>Data is currently unavailable. We do not currently report the weight or volume of materials used. 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: We use the following to produce and package our products: metals, graphite, plastics, glass, dielectric oil, foam, natural gas, diesel, gasoline, ceramic.</p> <p>Renewable materials: We use the following renewable materials: water, paper, glycol, rubber, and wood.</p>
301-2 Recycled input materials used	Data is currently unavailable. The recycled content of input materials is not currently tracked. Efforts are ongoing to quantify and track these materials, especially the metals including steel, aluminum, tungsten, and gold.
301-3 Reclaimed products and their packaging materials	<p>X-ray customers are given a credit for housings that are reloaded with new tubes. In 2021, 6,574 end-of-life X-ray tubes were returned and approximately 95% of the material from those tubes was recycled or reused.</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>
GRI 302: Energy 2016	
302-1 Energy consumption within the organization	<p>Total fuel consumption within the organization from non-renewable resources, in megajoules:</p> <p>Natural gas: 61,621,221 MJ Electricity: 137,701,949 MJ Diesel: 749,131 MJ Gasoline: 713,130 MJ Liquefied propane: 85,301 MJ</p> <p>Total fuel consumption within the organization from renewable resources, in megajoules: 9,158,760 MJ</p> <ul style="list-style-type: none"> > Electricity consumption in watt hours: 38,250,541 kWh > Steam: 1,158 MMBtu <p>Total energy consumption within the organization in joules: 202,092,486 MJ</p> <p>Numbers were calculated by collecting all sites' utility information and converting to the appropriate unit of measure. Conversion factors were sourced from the website www.convertunits.com.</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. As we mature as an organization and progress our sustainability strategy further across our operations, we aim to grow our understanding of energy consumption outside of Varex in the next few years and gather this information.
302-3 Energy intensity	Energy intensity ratio for the organization: 0.25 MJ/\$ sales, calculated on the basis of 2021 sales of \$813M. In these calculations, we included electrical power, natural gas, diesel fuel, gasoline, and propane consumption within the organization.

GRI Disclosure	Location and notes
302-4 Reduction of energy consumption	<p>As a result of facility closures, efficiency initiatives and COVID-19 flex schedules, we have reduced energy consumption by 38,454,210 MJ in the reporting year.</p> <p>Power usage reduction occurred in Santa Clara and Charleston due to facility closures and LED lighting retrofits and upgrades continue throughout various facilities.</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. Calculations were based on the difference between 2021 and 2020 calculations. Numbers were calculated by collecting all sites' utility information and converting to the appropriate unit of measure. Conversion factors were sourced from the website www.convertunits.com.</p>
302-5 Reductions in energy requirements of products and services	There were no known reductions in 2021 in the energy requirements of our products and services.
GRI 303: Water and Effluents 2018	
303-1 Interactions with water as a shared resource	<p>Resource stewardship, p 20</p> <p>The Sustainability and Environmental teams monitor water use as well as conducting an annual review against goals, noting additional areas for improvement. Due to the ongoing challenges of COVID-19, there were no new projects in 2021.</p>
303-2 Management of water discharge-related impacts	<p>As our water usage and discharge are minimal the receiving body is not considered at risk.</p> <p>Resource stewardship, p 20</p>
303-3 Water withdrawal	The total volume of water withdrawn in the reporting year was: 132,146 m ³ . 16,920 m ³ were from ground water and 115,226 m ³ were withdrawn from municipal water supplies.
303-4 Water discharge	As our water usage and discharge are minimal the receiving body is not considered at risk.
303-5 Water consumption	<p>a. Total water use is 132,146 m³.</p> <p>b. N/A</p> <p>c. Water storage is not material.</p> <p>d. Water use is collected for production locations and estimated for sales offices.</p>
GRI 305: Emissions 2016	
305-1 Direct (Scope 1) GHG emissions	<p>There were 28,872 metric tons (Market Based) of CO₂ equivalent emissions in 2021. All CO₂ emissions are non-biogenic. This calculation included all gases—CO₂, CH₄, N₂O, HFCs, PFCs, SF₆, and NF₃—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 and the EPA GHG Calculator Tool. Estimates of energy use at sites of less than 631 m².</p>

GRI Disclosure	Location and notes
<p>305-2 Energy indirect (Scope 2) GHG emissions</p>	<ul style="list-style-type: none"> > Gross location-based energy indirect (Scope 2) > GHG emissions: 12,673 metric tons of CO₂ equivalent Gross market-based energy indirect (Scope 2) GHG emissions: 22,834 metric tons of indirect CO₂ equivalent. <p>For these calculations, we included all gases (CO₂, CH₄, N₂O, HFCs, PFCs, SF₆, and NF₃) 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 2018 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.</p> <p>Standards, methodologies, assumptions, and/or calculations tools used: the Greenhouse Gas Protocol Corporate Accounting and Reporting Standard was used in conjunction with the EPA Climate Leadership reporting tool, and the EPA GHG calculator. Estimates of energy use at sites of less than 631 m².</p>
<p>305-3 Other indirect (Scope 3) GHG emissions</p>	<p>Please see the 2017 report for baseline numbers. For 2021, only employee business travel was tracked for Scope 3 emissions, totaling 146 metric tons of CO₂e. We are continuing to develop methods to better monitor other Scope 3 emissions.</p>
<p>305-4 GHG emissions intensity</p>	<p>GHG emissions intensity ratio for the organization:</p> <ul style="list-style-type: none"> > Location-based: 2.29 grams CO₂e/\$ sales > Market-based: 3.55 grams CO₂e/\$ sales <p>As the denominator, we used the 2021 sales of \$813M.</p> <p>For calculating the intensity ratio, we included Scope 1, 2 (direct and indirect), and 3 GHG emissions. Scope 3 was included based on an estimate from previous year. For this calculation, we included all gases: CO₂, CH₄, N₂O, HFCs, PFCs, SF₆, and NF₃.</p>
<p>305-5 Reduction of GHG emissions</p>	<p>We achieved a reduction of 869 metric tons of CO₂e from energy efficiency projects and facility closures in 2021, compared to 2020 emissions. In these calculations, we have included all gases: CO₂, CH₄, N₂O, HFCs, PFCs, SF₆, and NF₃.</p> <p>Emissions reductions took place in Scope 1, 271 metric tons of CO₂e savings and Scope 2 reduced 599 metric tons.</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 of less than 631 m².</p>
<p>305-6 Emissions of ozone-depleting substances (ODS)</p>	<p>Varex Imaging did not produce any emissions of ozone-depleting substances in 2020.</p>
<p>305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions</p>	<p>Significant air emissions, in metric tons or multiples, for each of the following:</p> <ul style="list-style-type: none"> > NOx: 0.52 metric tons > SOx: 0.08 metric tons > No persistent organic pollutants (POP) > VOCs: 11.96 metric tons <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>

GRI Disclosure	Location and notes
GRI 306: Waste 2020	
306-1 Waste generation and significant waste-related impacts	<ul style="list-style-type: none"> i. The majority of waste is generated on-site at the production facilities. ii. Varex Imaging's products require specific raw materials that are easily recycled and repurposed. Varex makes great effort to be a cradle-to-grave manufacturer. iii. Varex makes great effort to be a cradle-to-grave manufacturer. We request our products be returned at the end of life so that we can recycle or repurpose as much as possible.
306-2 Management of significant waste-related impacts	<ul style="list-style-type: none"> a. X-ray tubes and associated products have a finite life span. As such, we provide our customers a credit as they return the "dead" X-ray tube. This allows us to recycle or repurpose as much material as we can. We believe that transitioning toward a circular and lower-carbon economy by reusing and recycling end-of-life products enables us to maximize value for our customers while reducing our environmental impact. b. At Varex we manage our own waste/recycle streams. We utilize locally licensed and permitted waste contractors to ensure proper disposal of waste. a. All returned products have a serial number that identifies the product and allows us to track our returned materials. All site waste is tracked on an annual basis through collecting manifests that provide the number of dumpster pulls and weight totals as available.
306-3 Waste generated	<ul style="list-style-type: none"> a. Varex production facilities generated 1,003 tons of waste. 273 tons to Landfill and 730 tons Recycled giving us a 72% diversion rate. Most facilities have landfill and recycle services and the totals are taken from those service providers. b. Varex has 12 production facilities with significant waste generation. The numbers are collected from local facility and operation managers on an annual basis.
306-4 Waste diverted from disposal	<ul style="list-style-type: none"> a. 730 metric tons b. We do not have significant hazardous waste and do not track this on a global level. c. 730 metric tons d. All disposal operation, both hazardous and non-hazardous waste, is off-site. e. Varex has 12 production facilities with significant waste generation. The numbers are collected from local facility managers on an annual basis.
306-5 Waste directed to disposal	<ul style="list-style-type: none"> a. 1,003 metric tons b. This information is not collected by Varex. c. 273 metric tons were directed to landfill and 703 metric tons to recycling providers. Disposal method is not collected by Varex. d. All waste is disposed of off-site. e. Varex has 12 production facilities with significant waste generation. The numbers are collected from local facility managers on an annual basis.
GRI 307: Environmental Compliance	
307-1 Non-compliance with environmental laws and regulations	There were no fines or non-monetary sanctions for non-compliance with environmental laws across all operations.
GRI 308: Supplier Environmental Assessment 2016	
308-1 New suppliers that were screened using environmental criteria	Our Master Services Agreements and purchase order terms and conditions include environmental criteria such as REACH, WEEE, and other relevant criteria. Suppliers will be screened every four years. All new suppliers are screened. These policies were established in 2018.
308-2 Negative environmental impacts in the supply chain and actions taken	Our Master Services Agreements and purchase order terms and conditions include environmental criteria such as REACH, WEEE, and other relevant criteria. These policies were established in 2018. We have not identified any suppliers with potential negative environmental impacts.

GRI Disclosure	Location and notes
GRI 401: Employment 2016	
401-1 New employee hires and employee turnover	See Appendix, Employee data, Table 5, p 24
401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	<p>We provide life insurance, healthcare, disability, and short-term disability insurance, and we have provided maternity leave since 2017. We provide a matching of up to 100% of 3% in the U.S. for retirement. We have an employee stock option purchasing program. We do not distinguish between full- and part-time employees.</p> <p>Our <u>Conflict Minerals Policy</u> was developed and published in 2018. This is still an ongoing process.</p> <p>Significant locations are defined as any sites that have engineering or production facilities.</p>
401-3 Parental leave	<p>In 2018, we implemented paternity leave, in addition to maternity leave.</p> <p>100% of employees maintained their current role at an equivalent grade when they returned from leave: 6 women and 29 men utilized the maternity/paternity leave.</p>
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 three months to six months—depending on location. This notice period includes employees or organizations with collective bargaining agreements.
GRI 403: Occupational Health and Safety 2018	
403-1 Occupational health and safety management system	<p>Empowering people and communities, p 30–31</p> <p>Being an employer of choice, p 25–26</p> <p>Governance, p 30</p> <p>Ethical business, p 38–39</p> <p><u>Hotline reporting</u></p> <p><u>Code of Conduct</u></p> <p>Our 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.” Health and safety is managed globally with more specific regulations based on local requirements. All full-time, non-contract employees are covered by the health and safety policies. Our health and safety program covers all production workers, engineers, office staff, and all contract labor associated with our office and production operations. Work includes engineering and office support, machine shop, electrical, plumbing, product manufacturing, product cleaning, and assembly.</p> <p>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 at each site assess and evaluate the performance.</p>

GRI Disclosure	Location and notes
403-2 Hazard identification, risk assessment, and incident investigation	<ul style="list-style-type: none"> a. i. Varex has a health and safety program in place that meets or exceeds the local governmental safety requirements at each location. Each site has a safety coordinator. ii In the U.S., all OSHA standards are met or exceeded. b. Our Hotline Reporting is available here and our Code of Conduct is available here. c. It is expected that employees will not work in an unsafe environment. Varex expects employees to recognize and report safety issues and ask questions when needed. If the employee is concerned about reprisal they can work directly with our Environmental Health and Safety Manager. This is expressed in the annual safety trainings with employees. d. All work-related incidents are investigated by our Environmental Health and Safety Manager. All processes are evaluated for any possible safety issues prior to implementation. If improvement opportunities arise, the changes are considered and implemented if possible.
403-3 Occupational health services	<ul style="list-style-type: none"> a. All contract employees are held to the same safety standards as full-time employees.
403-4 Worker participation, consultation, and communication on occupational health and safety	<ul style="list-style-type: none"> a. Contract employee's working conditions are managed by their associated managers. The managers work directly, when necessary, with the Varex team to address health and safety issues. b. There are no formal joint management operations at Varex.
403-5 Worker training on occupational health and safety	<ul style="list-style-type: none"> a. Annual training is performed for electrical safety, fire safety, energy control (LOTO), radiation safety, hazardous waste, hazard communication, building evacuation, machine guarding, fall protection, personal protective equipment, and ergonomics training.
403-6 Promotion of worker health	<ul style="list-style-type: none"> a. Varex provides on-site healthcare in some locations. Varex also offers health insurance for non-occupational medical and healthcare services depending upon the country requirements. b. Varex provides a “non-smoker” benefit as well as physical fitness incentives.
403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	<p>Health and safety trainings are provided on an “as needed” basis depending upon the employee role and job requirements. Trainings are conducted annually.</p>
403-8 Workers covered by an occupational health and safety management system	<p>All full-time employees and contractors are expected to follow the health and safety system. All health and safety data is recorded and tracked utilizing internal systems to manage employee incidents, near misses, and health issues. All health and safety protocols within the United States meet OSHA standards while foreign facilities and offices comply with the regulations of the local countries.</p> <ul style="list-style-type: none"> a. i. 100%, all employees and contractors are managed by the Varex safety and health guidelines. ii. 100%, all production facilities meet all OSHA and local safety regulations depending on country of operation. All policies and procedures are consistently reviewed. iii. This data is not collected at this time. b. All employees and contractors are included in this program. c. N/A

GRI Disclosure	Location and notes
403-9 Work-related injuries	<ul style="list-style-type: none"> a. <ul style="list-style-type: none"> i. Zero ii. Zero iii. USA = 15 for CY2020. Please also see p 33 in our Sustainability Report. iv. Slip and Fall, Hand Injuries v. USA = 2,583,232 for CY2020 b. i-ii-iii-iv Included in the numbers above. c. Electrical exposure, chemical exposure, radiation exposure, powered industrial trucks <ul style="list-style-type: none"> i. Internal and third-party safety audits ii. None iii. Controls and safety measures are in place d. Audit and inspect previous controls to maintain their efficiency. e. Based on the total number of employee hours worked for the calendar year. f. Zero g. In the U.S., we adhere to OSHA standards.
403-10 Work-related ill health	<p>All USA offices utilize OSHA requirements, foreign locations utilize their local health and safety associations reporting options.</p> <ul style="list-style-type: none"> a. <ul style="list-style-type: none"> i. Zero ii. USA = 0 CY2020 iii. None b. <ul style="list-style-type: none"> i. Zero ii-iii. Included in numbers above c. <ul style="list-style-type: none"> i. Internal and third-party safety audits ii. None iii. Audit and inspect previous controls to maintain their efficiency. d. None e. None
GRI 404: Training and Education 2016	
404-1 Average hours of training per year per employee	Our current training system does not have an accurate way to calculate and verify an average for training hours. We can, however, confirm our employees completed 54,172 training courses in 2021.
404-2 Programs for upgrading employee skills and transition assistance programs	<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>In the U.S., we provide a tuition reimbursement program for U.S. employee college courses. In 2021 we had 48 employees participate reimbursing \$149K in tuition.</p> <p>We do not have a program for employee termination or retirement training; however, we will look into developing this as needed.</p> <p>Being an employer of choice, p 25-26</p>
404-3 Percentage of employees receiving regular performance and career development reviews	All employees (100%) received a regular annual performance review.

GRI Disclosure	Location and notes
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"> > Male: 63%, female: 37%. > Under 30 years old: 0; 30-50 years old: 0; over 50 years old: 100%. <p>For additional data on all of our employees, please see our Employee Data Sheet in the Appendix.</p> <p>During this reporting year, we did not track the percentage of individuals in certain minority or vulnerable group categories.</p> <p>While we do not have a formal diversity policy, our Board and Nominating and Corporate Governance Committee are committed to actively seeking highly qualified women and individuals from minority groups to include in the pool from which new candidates are selected. In 2020, we began working on a diversity and inclusion program. See Appendix, Employee data for more information, p 22-26.</p>
405-2 Ratio of basic salary and remuneration of women to men	<p>See Appendix, Employee data for more information, Tables 6,7,8, p 25-26</p> <p>Definition of significant location is any location with engineering or production facilities.</p>
GRI 406: Non-discrimination 2016	
406-1 Incidents of discrimination and corrective actions taken	<p>There were no findings of discrimination in 2020.</p>
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	<p>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.</p> <p>We continue to assess our key sustainability-related risks in our supply chain, and will look to report on this in future reporting years.</p> <p>Legal and HR teams conduct periodic reviews to assess compliance to laws and regulations in locations where we operate. Changes are made as needed.</p> <p>Human Rights Policy</p>
GRI 408: Child Labor 2016	
408-1 Operations and suppliers at significant risk for incidents of child labor	<p>Varex Imaging has an international supply chain and is assessing risks of child labor or young workers exposed to hazardous work.</p> <p>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 going forward. The program will help us to achieve our responsible supply chain goals, see p 32.</p> <p>Human Rights Policy</p>

GRI Disclosure	Location and notes
GRI 409: Forced or Compulsory Labor 2016	
409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	<p>Forced labor is addressed in our employment policies, as well as in our Conflict Minerals Policy.</p> <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> <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 going forward. The program will help us to achieve our responsible supply chain goals, p 32.</p> <p>Human Rights Policy</p>
GRI 412: Human Rights	
412-1 Operations that have been subject to human rights reviews or impact assessments	None of our operations were subject to human rights review or impact assessments in 2021.
412-2 Employee training on human rights policies or procedures	1,560 hours of human rights training were conducted in 2021.
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.
GRI 413: Local Communities 2016	
413-1 Operations with local community engagement, impact assessments, and development programs	Supporting our neighbors, p 27-28
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 Supporting our neighbors, we will track this information when applicable.
GRI 414: Supplier Social Assessment 2016	
414-1 New suppliers that were screened using social criteria	Work is ongoing 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 2021 and are in the process of developing a more robust system to implement and report on this issue. This plan is still in an early phase and we will aim to have more information on this system in future reporting years.
GRI 415: Public Policy 2016	
415-1 Political contributions	As part of our conflict of interest policy, we do not give political donations globally.

GRI Disclosure	Location and notes
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. 100% of our products are continuously assessed for improvements regarding health and safety impacts.
416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	Product safety and quality, p 16 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. There have been no issues of non-compliance reported in 2021.
GRI 417: Marketing and Labeling 2016	
417-1 Requirements for product and service information and labeling	In our product information and labeling, we require providing 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. 100% of our products are covered by and assessed for compliance with such procedures.
417-2 Incidents of non-compliance concerning product and service information and labeling	There were no incidents of non-compliance concerning products and service information and labeling.
417-3 Incidents of non-compliance concerning marketing communications	There were no incidents of non-compliance concerning marketing communications.
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.
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.

APPENDIX

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	Logistics	Varex Imaging (manufacturing, R&D, design, services)	Customer use	Product end of life
Better health	Developing advanced medical diagnostics and treatments to improve health and save lives.			◆	◆	
Safer, more secure world	Innovating our industrial products to create a safer world.			◆	◆	
Product safety and quality	Ensuring that safety and quality are at the heart of product design and development.	◆	◆	◆	◆	
Customer care	Providing a high-quality service at all stages of the relationship with customers.	◆	◆	◆	◆	◆
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.	◆	◆	◆	◆	
Resource stewardship	Prevent waste at source and use resources such as water and raw materials efficiently. Design products to improve recyclability.	◆	◆	◆	◆	◆
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.			◆		
Being a good neighbor	Involvement and engagement with local communities to create positive social impacts.			◆		
Responsible growth	Running the business with the aim of ensuring sustainable, profitable growth to create value over the long term	◆		◆	◆	
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.	◆	◆	◆	◆	◆
Sourcing responsibly	Sourcing beyond economic considerations alone, by taking environmental, social and ethical factors into consideration.	◆	◆			

Table 1

Totals (**excludes Walluf and Bremen)	
Total salaries 2021	\$170,073,747.49
Total # of employees 2021	2,164
Total # of women employed	507
Percent & # of women in leadership roles	18.2% and 43 count
Percentage of total employees covered by collective bargaining agreements	8.5%

Indicators

Table 2

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 (N:1)
U.S.	\$738,000	\$62,932	0.09%
Netherlands	\$249,233	\$55,227	0.22%
Germany	\$310,625	\$61,552	0.20%
China	\$300,953	\$43,760	0.15%
Philippines	\$95,304	\$2,614	0.03%

Table 3

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
U.S.	15.79%	0.43%	107.14%
Netherlands	2.02%	11.41%	116.67%
Germany	15.93%	5.00%	0.00%
China	15.63%	28.99%	60.00%
Philippines	8.87%	2.13%	125.00%

Table 4

% of management local to country of operation	Managers	Local managers	Ratio
U.S.	160	156	97.50%
Netherlands	17	17	100.00%
Germany	28	19	67.86%
China	10	9	90.00%
Philippines	17	16	94.12%

Table 5

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	242	110	59	471	56	83	404	22	35
APAC	28	5	5	113	11	3	10	1	1
Europe	25	6	2	150	25	14	55	6	2

Female	Under 30			30-50			Over 50		
	Total	New	Turnover	Total	New	Turnover	Total	New	Turnover
Americas	108	49	44	171	42	22	135	9	12
APAC	12	5	1	27	5	2	3	0	0
Europe	2	1	1	28	7	2	21	3	1

Undeclared	Under 30			30-50			Over 50		
	Total	New	Turnover	Total	New	Turnover	Total	New	Turnover
Americas									
APAC	185	85	34	0	0	0	0	0	0
Europe	54	5	5	0	0	0	0	0	0

Table 6

Ratio of the basic salary and remuneration of women to men for each employee category, by significant locations of operation.

Americas	Men	Women	Ratio
SVP	\$371,621.28	\$380,000.00	1.02
VP	\$271,281.52	0.00	n/a
Sr Dir	\$209,338.88	0.00	0.00
Dir	\$184,675.51	\$180,126.40	0.98
Sr Mgr	\$150,235.47	\$144,956.35	0.96
Mgmt 3	\$128,833.11	\$121,359.69	0.94
Mgmt 2	\$98,338.88	\$87,286.78	0.89
Mgmt 1	\$75,538.78	\$69,975.21	0.93
Prof 6	\$225,619.46	0.00	n/a
Prof 5	\$150,064.44	\$144,476.79	0.96
Prof 4	\$130,414.95	\$108,135.72	0.83
Prof 3	\$104,522.58	\$90,554.22	0.87
Prof 2	\$83,215.94	\$74,095.75	0.89
Prof 1	\$74,115.62	\$63,363.24	0.85
Supp 5	\$84,297.90	\$67,039.32	0.80
Supp 4	\$66,632.26	\$57,233.38	0.86
Supp 3	\$51,295.70	\$48,283.02	0.94
Supp 2	\$43,508.67	\$41,782.02	0.96
Supp 1	\$36,633.33	\$37,306.03	1.02
Average			0.92

Table 7

Ratio of the basic salary and remuneration of women to men for each employee category, by significant locations of operation.

Europe	Men	Women	Uncleared	Ratio
VP	\$279,929.40	0.00		n/a
Dir	\$174,767.49	0.00		n/a
Sr Mgr	\$132,850.73	\$118,388.05		0.89
Mgmt 3	\$100,895.29	0.00		n/a
Mgmt 2	\$83,017.27	\$73,112.83	\$74,064.47	0.88
Mgmt 1	0.00	\$56,894.53		0.00
Prof 4	\$97,461.85	\$50,980.50	\$118,954.50	0.52
Prof 3	\$77,411.80	\$52,710.74		0.68
Prof 2	\$59,294.40	\$81,065.71		1.37
Prof 1	\$48,260.76	\$50,934.79		1.06
Supp 5	\$60,494.39	0.00		0.00
Supp 4	\$60,806.44	\$55,500.25		0.91
Supp 3	\$49,516.32	\$30,950.74		0.63
Supp 2	\$43,683.29	\$37,364.00	\$39,098.64	0.86
Supp 1	\$40,366.52	\$38,816.02		0.96

Table 8

Ratio of the basic salary and remuneration of women to men for each employee category, by significant locations of operation.

APAC	Men	Women	Ratio
VP	\$ 300,952.68	0.00	-
Sr Mgr	\$114,758.34	\$ 62,819.99	0.55
Mgmt 3	\$74,062.05	\$36,344.61	0.49
Mgmt 2	\$39,383.12	\$40,237.02	1.02
Mgmt 1	\$20,241.30	\$13,767.20	0.68
Prof 4	\$14,229.52	\$12,225.71	0.86
Prof 3	\$40,193.54	\$20,236.24	0.50
Prof 2	\$17,054.33	\$10,852.55	0.64
Prof 1	\$9,969.67	\$9,250.72	0.93
Supp 5	\$5,407.52	\$9,291.27	1.72
Supp 4	\$6,653.06	\$27,703.62	4.16
Supp 3	\$7,874.11	\$10,712.22	1.36
Supp 2	\$6,873.58	\$11,040.07	1.61
Supp 1	\$2,935.94	\$3,139.91	1.07