

2022

ESG TEAR SHEET

What We Do

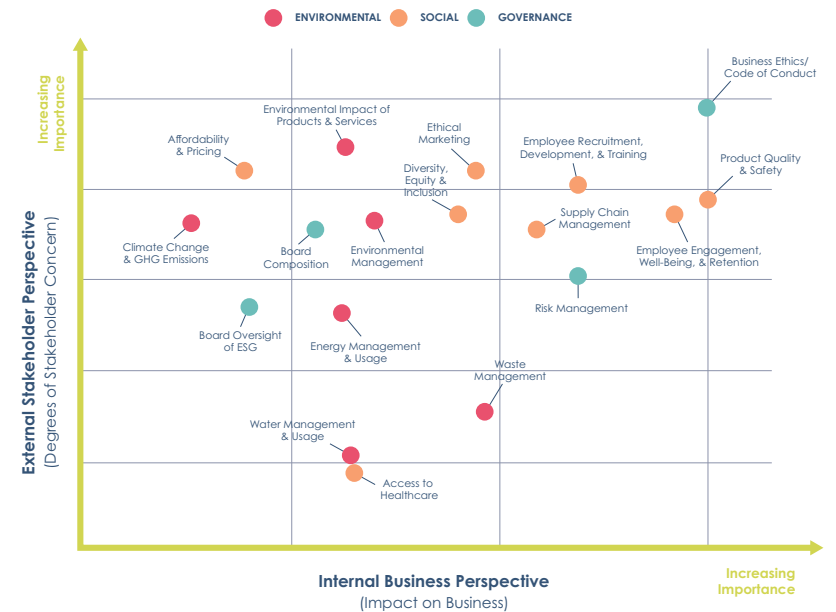
Varex Imaging Corporation is a leading independent supplier of medical X-ray tubes and image processing solutions. From medical imaging to cargo screening and border security, our components are used by X-ray imaging system manufacturers around the globe to detect, diagnose, and protect.

Our Mission

Through the talent of our people and vision of customers, we help improve and save lives throughout the world by making the invisible visible.

In 2022 we conducted a materiality assessment informed by internal interviews and survey responses from 50 key business leaders and an external survey of investors and customers. We have identified our priority ESG topics in the materiality matrix below:

Materiality Matrix



Product Quality & Benefits

Varex is focused on creating a healthier, safer future for all through innovation. We have developed the first affordable photon counting detectors which offer vast improvements on conventional X-ray imaging, with applications ranging from patient diagnostics to food safety inspections. Additionally, we launched a digital X-ray detector that addresses the growing need for faster and more comprehensive EV battery inspections.

Varex's quality management system is certified to the globally recognized ISO 9001 standard, which helps ensure our customers get consistent, good-quality products and services. In addition, we have ISO 13485 accreditation, which recognizes our ability to provide medical devices and related services that consistently meet customers' and applicable regulatory requirements. Our regulatory registrations and certifications are listed on our website.

Ensuring the quality and safety of our products begins with our supply chain. Suppliers are required to complete an annual training on our third-party [Responsible Business Code of Conduct Policy](#). We also conduct periodic self-evaluations that address conformity with legal and regulatory requirements, the content of the Code, and customer contractual requirements related to social and environmental responsibility.

Environmental Impact Reduction

We have a long-standing culture of environmental responsibility at Varex – not only because it minimizes

the impact of our operations on the environment, but also because it makes good commercial sense. To gain a valuable external perspective, we engaged a third-party consultant to advise on mitigation activities and program improvements:

- Improved capturing and monitoring of environmental metrics across locations via a software-as-a-service platform.
- Initiated a recapturing process of sulfur hexafluoride (SF6) which comprises almost 30% of our GHG emissions. Additionally, expanded our nitrogen generation plant to reduce the need for shipments – decreasing delivery emissions and cost.
- Investigating ways to increase the use of renewable energy across our locations to reduce the carbon footprint of our business. All facilities currently have LED lighting and intelligent heating & cooling.

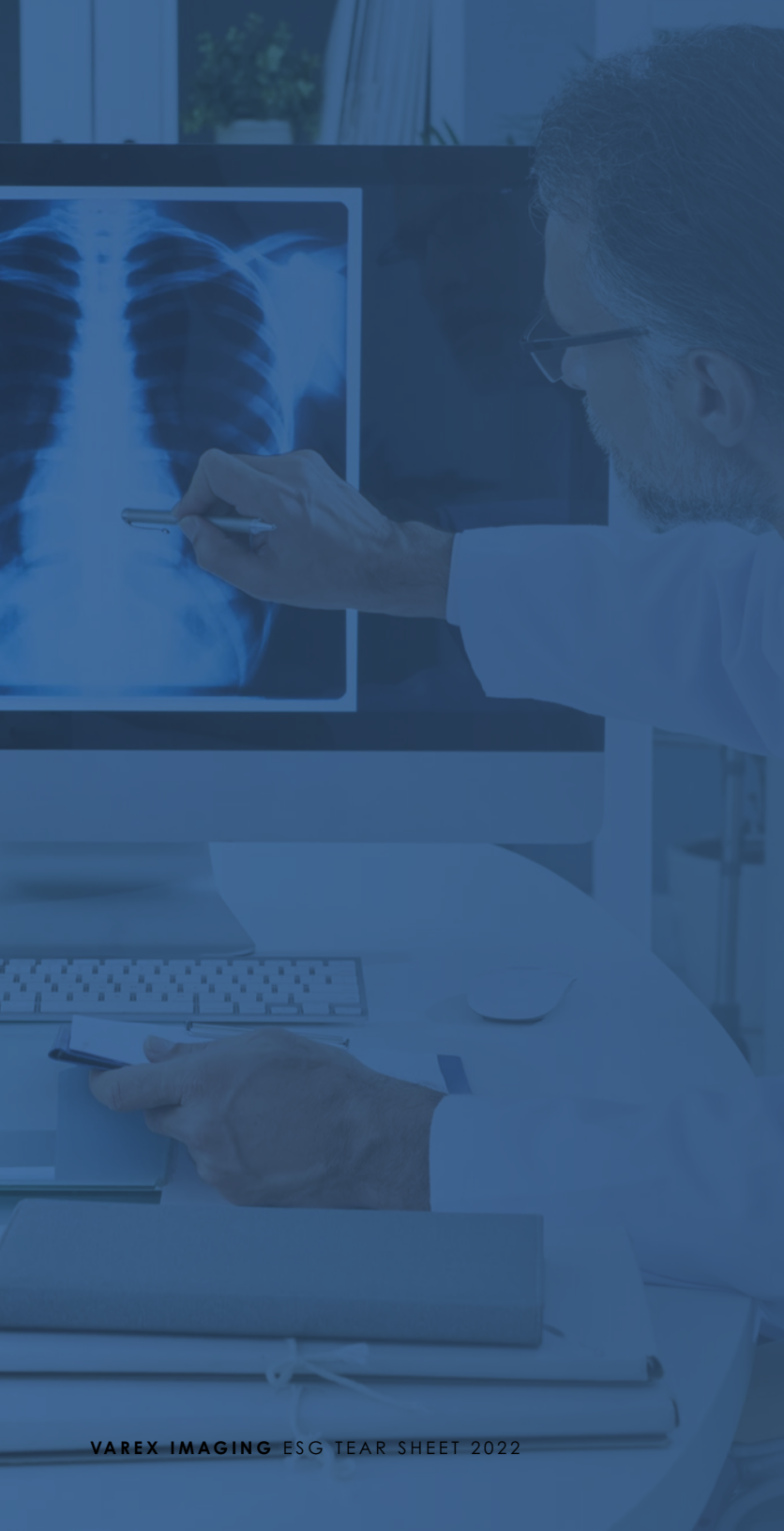
We actively look for opportunities to reduce the environmental impact associated with our products and supply chain. Post COVID-19, we have been able to resume ocean shipping and expect to see the benefit of this flow through our GHG emissions in 2023. We also encourage product circularity by allowing customers to return retired products that we can recycle or repurpose parts for. In 2022, 5,436 tubes were returned for recycling, with component credits passed on to customers.

Total Volume of Water Withdrawn	127,964m³
Of Which Ground Water	15,331m ³
Of Which Municipal Water Sources	112,633m ³

Carbon footprint		
Category	tCO2e	GJ
Fuels		
Natural gas	3,957	79,135
Liquid propane	4.7	81
Refrigerant gas	107	
Company vehicles		
Diesel fuel	65	918
Gasoline	60.7	700
Scope 1	4,195	80,834
Scope 2 – Location Based	12,247	137,591
Scope 2 – Market Based	11,527	137,591
Grid electricity		136,369
Steam	0.070	1,222

TCFD

We prepared our 2022 ESG Report in line with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). We have evaluated our climate-related risks and opportunities over the short-, medium-, and long-term time horizons against two future scenarios and socioeconomic pathways published by the Intergovernmental Panel on Climate Change (IPCC). The outputs of this evaluation will be incorporated into our ongoing risk monitoring and management processes and help to inform our climate strategy going forward.



Caring for Our People

People are at the heart of everything we do at Varex, as our employees and their talent help us achieve our mission of improving and saving lives around the world. Accordingly, we are committed to providing safe and inclusive workspaces where everyone feels they belong.

Health & Safety

The health and safety of our people and those we serve have always been of paramount importance to Varex. Every employee at Varex is assigned a mandatory online health and safety training annually, with compliance rates recorded. In the United States, we have implemented a new frontline software system for reporting safety incidents and near misses. In 2022, we contracted a third-party specialist to carry out a gap analysis on health and safety protocols at our international sites.

Human Capital Management

To ensure we are attracting and retaining talent, we have invested in strengthening our Learning & Development programs and implemented/developed the following:

- Relunched employee resource group- Women's Interest Network (WIN)
- Developing a new HR strategy for global talent management and benchmarked rewards and benefits against peers

- New and enhanced onboarding program
- Continued annual employee engagement survey, with our latest employee net promoter score for the US-based workforce being 5.4 (2022)

We offer a generous benefits package including:

- A match on employees' contributions to the Varex Imaging 401 (k) plan of up to 4%, beginning immediately
- An opportunity to purchase Varex Imaging stock at a discount through our employee stock purchase plan
- A wide variety of choices for health and insurance coverage
- 15 days of paid time off – upgraded from 10 days following employee feedback
- Reimbursement of tuition fees for U.S.-based employees pursuing post high school education

Diversity, Equity, & Inclusion

Diversity and inclusion considerations are at the forefront of our recruitment decisions, and we monitor diversity metrics in our recruitment and leadership development programs.

Ethical Governance & ESG Oversight

Board & Management Oversight

Ultimate oversight of ESG matters rests with our Board of Directors which reviews our Sustainability Strategy in its role as steward of the long-term health of the business. The full Board receives an annual presentation dedicated to ESG, including sustainability-related risks and opportunities, and maintains ongoing oversight on different topics via its three standing committees.

Our Nominating and Corporate Governance Committee meets at least twice a year and conducts an annual review of our ESG program. Our Compensation and Human Capital Management Committee meets quarterly and provides oversight on the Company's practices, policies, and strategies relating to human capital management, including our diversity and succession planning initiatives.

Management oversight is provided by the Executive Compliance Committee, which works closely with our Sustainability Leadership Group comprising the CEO, CFO, Chief Legal Officer, Sustainability Manager and Director of Facilities and Equipment.

Ethical Governance

It is everyone's responsibility at Varex to make sure we uphold the highest ethical standards. To achieve our vision and mission, everything we do must be guided by robust governance and underpinned by a commitment to ethics and integrity. Throughout 2022, we made various updates to support an increasingly responsible approach to business, including:

- Enhanced ethical compliance training for managers in response to employee feedback
- Began gathering data on our second and third-tier suppliers of critical materials
- Maintained Board diversity with the appointment of a new Board member – 50% of members are women or ethnically diverse

Board Diversity Matrix (as of December 12, 2022)				
Total Number of Directors	8			
Gender	Female	Male	Non-Binary	Did Not Disclose
Number based on gender identity	3	5	0	0
Number of directors who identify in any of the demographic categories below				
African American or Black	0	0	0	0
Alaskan Native or Native American	0	0	0	0
Asian	0	1	0	0
Hispanic or Latinx	0	0	0	0
Native Hawaiian or Pacific Islander	0	0	0	0
White	3	4	0	0
Two or More Races or Ethnicities	0	0	0	0
LGBTQ+	0	0	0	0

Features of our corporate governance structure include:

- Annual director elections. All directors are independent apart from the CEO who is not a member of any of the standing board committees
- Stock ownership guidelines for our directors and executive officers
- Broad executive officer and director anti-pledging and anti-hedging policies
- Annual review of our business strategy and enterprise risk
- No multi-class or non-voting stock

Policies

- [Code of Conduct](#)
- [Human Rights Policy](#)
- Related Party Transactions Policy
- [Conflict Minerals Policy](#)
- Non-retaliation Policy