

VARIAN MEDICAL SYSTEMS INC
Form SD
June 01, 2015

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM SD

SPECIALIZED DISCLOSURE REPORT

VARIAN MEDICAL SYSTEMS, INC.

(Exact name of the registrant as specified in its charter)

Delaware (State or other jurisdiction of	1-7598 (Commission	94-2359345 (IRS Employer
incorporation or organization)	File Number)	Identification No.)
3100 HANSEN WAY, PALO ALTO, CA Address of principal executive offices)		94304-1030 (Zip code)

John W. Kuo (650) 493-4000
(Name and telephone number, including area code, of the person to contact in connection with this report.)

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Check the appropriate box to indicate the rule pursuant to which this form is being filed, and provide the period to which the information in this form applies:

- Rule 13p-1 under the Securities Exchange Act (17 CFR 240.13p-1) for the reporting period from January 1 to December 31, 2014.

Introduction:

Varian Medical Systems, Inc. is a Delaware corporation originally incorporated in 1948 as Varian Associates, Inc. Varian Medical Systems, Inc. and subsidiaries are referred to herein as the Company .

The Company s operations are grouped into two reportable operating segments: Oncology Systems and Imaging Components. The Imaging Components segment includes X-ray imaging tubes and flat panel products, as well as security and inspection products. Ginzton Technology Center (GTC) and Varian Particle Therapy (VPT) business are reflected in the Other category, because these operating segments do not meet the criteria of a reportable operating segment.

Description of Segments:

The Oncology Systems business segment designs, manufactures, sells and services hardware and software products for treating cancer with conventional radiotherapy including Intensity-Modulated Radiation Therapy (IMRT), Image-Guided Radiation Therapy (IGRT) and volumetric modulated arc therapy, stereotactic body radiotherapy, stereotactic radiotherapy, stereotactic radiosurgery and brachytherapy. Products include linear accelerators, brachytherapy afterloaders, treatment simulation and verification equipment and accessories; as well as information management, treatment planning and image processing software. These products enable radiation oncology departments in hospitals and clinics to perform conventional radiotherapy treatments and offer advanced treatments such as fixed field IMRT, IGRT, volumetric modulated arc therapy, and stereotactic radiotherapy, as well as to treat patients using brachytherapy techniques. The Company s products are also used by neurosurgeons to perform stereotactic radiosurgery. Customers worldwide include university research and community hospitals, private and governmental institutions, healthcare agencies, physicians offices and cancer care clinics.

The Imaging Components business segment designs, manufactures, sells and services X-ray imaging components for use in a range of applications, including radiographic or fluoroscopic imaging, mammography, specific procedures, computed tomography and industrial applications. The Company sells its X-ray imaging components to large imaging system original equipment manufacturer (OEM) customers that incorporate them into their medical diagnostic, dental, veterinary and industrial imaging systems. The Company also sells its X-ray tubes and its flat panel digital image detectors for filmless X-ray imaging (commonly referred to as flat panel detectors or digital image detectors) to small OEM customers, independent service companies and directly to end-users for replacement purposes.

The Imaging Components business segment also designs, manufactures, sells and services security and inspection products, which include Linatron® X-ray accelerators, imaging processing software and image detection products for cargo screening at ports and borders and nondestructive examination in a variety of applications. The Company generally sells security and inspection products to OEM customers who incorporate these products into their inspection systems.

The Other category is comprised of VPT and the operations of the GTC.

The VPT business develops, designs, manufactures, sells and services products and systems for delivering proton therapy, another form of external beam radiotherapy using proton beams, for the treatment of cancer. Although proton therapy has been in clinical use for more than four decades, it has not been widely deployed due to high capital cost. The current focus is commercializing the Company s ProBeam proton therapy system and bringing expertise in traditional radiation therapy to proton therapy to improve its clinical utility and to reduce its cost of treatment per patient.

GTC, the scientific research facility, develops technologies that enhance current businesses or may lead to new business areas, including technology to improve radiation therapy and X-ray imaging, as well as other technology for

a variety of applications, including security and cargo screening. GTC is also actively engaged in searching for chemical or biological agents that work synergistically with radiation to improve treatment outcomes.

Section 1 Conflict Minerals Disclosure

Item 1.01. Conflict Minerals Disclosure and Report

The Company has concluded in good faith that during 2014,

- a) The Company has manufactured and contracted to manufacture products as to which conflict minerals (as defined in Section 1, Item 1.01 (d)(3) of Form SD) are necessary to the functionality or production of such products.
- b) Based on a reasonable country of origin inquiry (RCOI), the Company knows or has reason to believe that a portion of its necessary conflict minerals originated or may have originated in the Democratic Republic of the Congo or an adjoining country (collectively, sometimes referred to as the Covered Countries) but is unable to determine that those necessary conflict minerals are from recycle or scrap sources.

The Company's reasonable country of origin inquiry employed a combination of measures to determine whether the necessary conflict minerals in any of the Company's products originated from the Covered Countries. The Company's primary means of determining country of origin of necessary conflict minerals was by conducting a supply-chain survey with direct vendors using the EICC/GeSI Conflict Minerals Reporting Template (CMRT). The Company surveyed its direct vendors that were determined to have tin, tantalum, tungsten and gold (3TG) in their products. Additionally, the Company used the CFSI website (<http://www.conflictreesourcing.org/>), smelter company websites and other online tools to provide additional country of origin information.

As a result of the reasonable country of origin inquiry conducted as described above, approximately 50% of the Company's vendors who contribute necessary conflict minerals to the Company's products have provided a response to the supply-chain survey. Below is a summary of the information collected from all supply-chain survey respondents.

Conflict

Mineral	Countries of origin may include the following
Tantalum	Democratic Republic of the Congo*
Tin	Democratic Republic of the Congo*
Tungsten	TBD
Gold	TBD

* *The reported tantalum from the DRC came from 8 smelters all of whom have been audited and registered as conflict free by the Conflict Free Smelter Initiative (CFSI), which is internationally recognized for conflict free smelter audits. The reported tin from the DRC came from a smelter who has been audited and registered as conflict free by the CFSI.*

TBD means that the Company will attempt to collect more information for next year's report.

In accord with Rule 13p-1 under the Securities Exchange Act of 1934 (Rule 13p-1), the Company has filed this Specialized Disclosure Form (Form SD) and the associated Conflict Minerals Report and both reports are posted to a publically available Internet site at <http://www.varian.com/csr>.

Item 1.02. Exhibits

Conflict Minerals Report required by Item 1.01 is attached at Exhibit 1.01.

Section 2 Exhibits

Item 2.01. Exhibits

1.01. Conflict Minerals Report as required by Items 1.01 and 1.02.

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the duly authorized undersigned.

VARIAN MEDICAL SYSTEMS, INC.

(Registrant)

/s/ John W. Kuo
By John W. Kuo, Corporate Senior Vice President,
General Counsel and Corporate Secretary

June 1, 2015