

Varex Imaging and P3 Utah Case Study

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December 2020

This case study describes the analysis performed by the student team from Brigham Young University. The team worked with Jordan Larson, the sustainability manager at Varex Imaging, and Steve Klass, the director of P3 Utah, to complete these analyses and recommendations.

P3 Utah Matrix Analysis

The first analysis tool the team used to evaluate Varex Imaging was the P3 Utah Matrix. The Matrix rates a company on a scale from Bronze 1 to Gold 9 by looking at how the company does on setting and achieving sustainability goals, communicating sustainability initiatives with stakeholders, tracking and benchmarking company performance, and receiving sustainability certifications.

As of the writing of this case, Varex Imaging demonstrates capability and leadership in each of these areas except for receiving sustainability certifications. Although the company has received recognition for its sustainability practices, it does not hold any official industry or market sustainability certifications. The team ranked Varex at a Silver 5 ranking on the P3 Matrix. With the addition of some industry certifications, the company could become a Silver 6, and with the addition of the B-Corp Certification from B Lab, the company could cross over into Gold rankings.

United Nation Sustainable Development Goal Analysis

The second analysis tool the team used was the 17 Sustainable Development Goals (SDGs) developed by the United Nations. These goals address all aspects of sustainability and human well-being from poverty reduction to protecting marine and animal life. Varex's position on each goal was evaluated, with special emphasis placed on goals 5, 11, and 12 (Gender Equality, Safety and Inclusion, and Sustainable Production) as being particularly relevant to Varex.

As of the writing of this case, Varex Imaging is a market leader in every one of the SDGs, and the team didn't provide any recommendations on seven of the goals. On the remaining ten goals, 12 recommendations were offered to improve Varex's sustainability position, ranging from wage increases and employee demographic analysis to product life cycle impact studies. The majority of the recommendations were simple to implement but would greatly strengthen Varex's position as a sustainability leader and improve the company's social and environmental impact.

B-Corp Certification Pathway

In addition to the two analyses performed, the team also provided a potential pathway for the company to achieve the B-Corp certification. The B-Corp certification is provided by the independent B Lab and is recognized as a global sustainability standard across all industries. In

order to receive this certification, Varex would need to complete the B Impact Assessment questionnaire, make legal and organizational changes, submit documentation as requested, and go through a formal review process with B Lab. The certification process can be rigorous, and as such, being officially certified by B Lab is not a trivial achievement.

Benefit Corporation Registration Pathway

The team also provided a pathway for another, non-exclusive milestone that Varex could achieve: registering with the state as a Benefit Corporation. Benefit Corporations are similar to normal corporations in that they remain for-profit organizations, but they make a public commitment to having a positive impact on society and to being transparent in and accountable to that commitment. To become registered as a Benefit Corporation, Varex would need to make some organizational changes and register through the state. Registration would identify Varex as a corporation committed to not only profitability but also to social impact.

Special Project: Employee Morale and Engagement Analysis

In addition to these analyses and pathways, the team performed one additional project: an analysis of job satisfaction, perceptions of the company, and sustainability initiative awareness and engagement among Varex's employees. With the permission of the company, the team surveyed Varex Imaging employees and received nearly 500 responses over a six-day period.

As of the writing of this case, about 2/3 of employees at Varex Imaging have high job satisfaction and think that the company is a leader in the industry. About 60% of employees said they were aware of sustainability programs at Varex, but only a little over 20% of employees are engaged in these activities. These numbers are impressive, but there is still room for Varex to make improvements to increase satisfaction and engagement.

The team's primary recommendations for Varex revolved around increasing employee safety, creating more opportunities for feedback, improving internal promotion, showcasing corporate impact initiatives, and strengthening the sustainability team. These recommendations address most of the deficiencies and weak areas that the survey identified. Implementation would strengthen Varex's relationship with its employees, which would in turn increase retention, efficiency, and profitability.

Conclusion

Varex Imaging is already a sustainability leader in its industry and in the market. Few companies have taken the steps it has taken to have a net positive impact while providing profitable returns to investors as well. This leadership can be continued by the implementation of the recommendations summarized in this case study.