

## Environment and Social Responsibility Report 2004

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## Overview

**This report describes Agilent's relationships with the environment and society. It presents our objectives, strategies, results, challenges and plans for improvement and discusses our areas of special interest and progress.**

We have prepared this report using the 2002 [Global Reporting Initiative](#) (GRI) guidelines.

If you have comments about this report or our environmental or social performance, please submit them via our [webform](#).

This is the fifth Environment and Social Responsibility Report that Agilent has produced.

## CEO letter

**“While business success and market leadership are clearly a business’s first priorities, I believe that leading companies set the standard in corporate social responsibility as well.”**

*Ned Barnholt*

*Chairman, President and Chief Executive Officer*

Excellent financial results, great progress in operations and focused actions to address opportunities and challenges made 2004 a very successful “turnaround” year for Agilent. After the company returned to profitability in the fourth quarter of 2003 we achieved consistently strong financial results and generated more than \$700 million in cash in 2004. We completed a sweeping operational transformation, maintained the research and development investments that fuelled an outstanding year for new products, and improved our competitive position by entering new markets and exiting others. These results were delivered by Agilent’s 28,000 people, who have worked with great skill and energy under difficult conditions. We began 2005 a much stronger company than we were a year ago, and we are excited by our opportunities to build on 2004’s accomplishments.

### **A leader in corporate citizenship**

Outstanding corporate citizenship has two main components, and both were important priorities for Agilent in 2004. The first element is corporate governance – the practices that bring to life the highest standards of integrity and transparency. The other element of citizenship is the role we play as an employer and community member. In 2004 we were proud to be ranked number 9 on the list of 100 Best Corporate Citizens published by *Business Ethics* magazine, which cited Agilent’s “diversity practices and superior treatment of the community.” During the year more than 6,000 Agilent people volunteered in company-supported education, health and human service, and environmental programs or events; 16 countries where we do business have active community programs; nearly 273,000 students were reached through Agilent-sponsored education programs; and we improved our environmental performance by reducing our energy use by 6.3% and making significant progress toward tracking and eliminating hazardous materials from our products. This year we were formally recognized for our contributions and results in 22 communities worldwide. Our corporate citizenship efforts strengthen Agilent’s long-term competitiveness and help improve the viability of our many communities, and we will continue to make these efforts a priority.

Ned Barnholt

Chairman, President and Chief Executive Officer

## Vision and values

**Agilent's purpose is to provide critical enabling technologies to advance the state of the art and help our customers achieve their business results.**

Moving into 2005 Agilent's strategy is to strengthen our position as the number one measurement company in the world, while leveraging our technology and expertise to provide components, software and services to attractive new markets. Our priorities to accomplish this are:

- Maintain or gain market share in core businesses
- Invest in a few focused areas for near-term growth
- Nurture emerging "white space" opportunities
- Grow services and consumables
- Capture opportunities in emerging markets (especially China).

These goals, together with Agilent's renewed focus on the core company [objectives and values](#), will help us achieve success with our customers, shareholders, employees and communities.

### Related content:

*Agilent.com*  
[2004 Corporate Report](#)

## Objectives and values

Our business requires the support of our great people, a clean and safe environment, sufficient natural resources and the support of the communities in which we work.

### Our objectives

#### *Employee objectives*

- Help employees share in Agilent's success, which they make possible
- Provide employment rewards based on results
- Create a high-performance, inclusive work environment that prizes diversity and recognizes individual contributions
- Maintain a work environment that is pleasant, flexible and injury free
- Instill a sense of satisfaction and accomplishment from our work
- Foster initiative and creativity by allowing individual freedom to attain well-defined objectives

#### *Customer objectives*

- Provide products and services of the highest quality and value
- Gain and hold respect and loyalty

#### *Shareholder objectives*

- Achieve sufficient profit to finance our growth and provide resources to achieve our objectives
- Let our growth be limited only by our profits and ability to develop and produce innovative products and services that satisfy real needs

#### *Community objectives*

- Honor obligations to society by being an economic, intellectual and social asset to each nation and community in which we operate

### Our values

#### *Innovation and contribution*

- Invent and discover awesome technology that creates new fields of interest, new markets and new businesses
- Seek great ideas from anywhere and reward sharing, adopting and applying them to solutions everywhere

#### *Trust, respect and teamwork*

- Believe that people want to do a good job and will, if given proper tools and support
- Create an inclusive environment that fosters respect for individuals, their ideas and contributions
- Realize the full power of our diverse and global teams, working without boundaries to fulfill the expectations of our constituents

#### *Uncompromising integrity*

- Adhere to the highest standards of business ethics and acknowledge anything less as unacceptable
- Deal openly and honestly to earn the trust and loyalty of others



*Focus*

- Prioritize and simplify: decide what's really important and say "no" to the rest
- Set the few, high-impact customer-centered objectives and align the organization to reach them
- Focus on anticipating and satisfying customers' needs with a passion
- Focus our investments on the right opportunities for maximum growth impact

*Speed*

- Capitalize on change with an intense sense of urgency
- Move quickly and adapt as conditions warrant; be agile
- Act decisively, stamping out bureaucracy and the wasted energy that comes with it

*Accountability*

- Make straightforward commitments, then do what we say
- Manage by ambitious but realistic performance objectives, reward those who meet them and prize those who exceed them
- Address poor performance directly and specifically

## **Commitment**

The objective of Agilent's citizenship efforts is to be an economic, intellectual and social asset to the communities where we do business throughout the world. Our citizenship role encompasses:

- Development of products and technologies that provide social and environmental benefit
- Active community involvement focused on education, environment, and health and human services issues
- Active involvement in public policy at local, state, regional and national levels of government
- Responsible environmental policies and programs
- Focus on workforce diversity and inclusion.

Our philosophy has always been that we have responsibilities beyond shareholder profit; we are responsible to our employees, customers, vendors and communities. The communities where we are based should be enriched as a result of our presence and benefit from our contributions of time, expertise, technology and money.

We also believe that being an active and responsible corporate citizen helps us better identify, understand and act on opportunities and risks that could affect our operations, markets and, ultimately, our overall success as a global enterprise.

## Company profile

**Agilent delivers critical tools and technologies that sense, measure and interpret the physical and biological world.**

Our innovative solutions enable a wide range of customers in communications, electronics, life sciences and chemical analysis to make technological advancements that drive productivity and improve the way people live and work.

About two-thirds of Agilent's revenue was generated from outside of the United States in fiscal year 2004. With 28,000 employees around the world, our global presence offers a competitive advantage. Agilent's manufacturing, R&D, sales and support capabilities around the world give customers the flexibility they need in today's competitive environment.

### Test and Measurement

*2004 net revenue – \$2.9 billion*

Our test and measurement business provides standard and customized solutions that are used in the design, development, manufacture, installation, deployment and operation of electronics equipment and communications networks and services. Test and measurement employed about 11,200 people worldwide as of Oct. 31, 2004.

*Markets:* Our test and measurement markets include the communications test and general purpose test markets.

*Product areas:* Communications test products include testing solutions for fiber optic networks; transport networks; broadband and data networks; wireless communications; microwave networks; installation and maintenance solutions; and operations support systems, including monitoring and network management systems. General purpose test solutions include general purpose instruments; modular instruments and test software; digital design products; and high-frequency electronic design tools.

### Automated Test

*2004 net revenue – \$0.9 billion*

Our automated test business provides test solutions that are used in the manufacture of semiconductor devices, electronics (primarily printed circuit-board assemblies) and flat panel displays. Automated test employed approximately 2,200 people worldwide as of Oct. 31, 2004.

*Markets:* Our automated test business sells to the semiconductor manufacturing, electronics manufacturing and flat panel display markets.

*Product areas:* Our automated test business designs, develops and manufactures semiconductor test equipment, electronics manufacturing test equipment (including automated optical inspection products, automated x-ray inspection products, automated in-circuit testing products and manufacturing test systems software) and thin-film transistor array test equipment for flat panel displays.

## **Semiconductor Products**

*2004 net revenue – \$2.0 billion*

Our semiconductor products business is a leading supplier of semiconductor components, modules and assemblies for consumer and commercial electronics applications. As of Oct. 31, 2004, semiconductor products employed about 6,800 people worldwide.

*Markets:* Our semiconductor products business serves the personal systems and networking markets.

*Product areas:* Our personal systems products (for use in mobile phones, printers, PC peripherals and consumer electronics) include radio frequency and microwave communications devices such as FBAR duplexers and E-pHEMT power amplifiers; infrared emitters, detectors and transceiver module products; printing application-specific integrated circuits (ASICs); optical image sensors and processors, and optical position sensors; and light-emitting diodes (LEDs) and optocoupler products. We are also engaged in a global joint venture – Lumileds – with Philips Electronics, which develops, manufactures and sells LEDs, modules, products and systems for a broad spectrum of lighting applications. Our networking products include Fibre Channel controller products, fiber optic products and high-speed digital integrated circuit products.

## **Life Sciences and Chemical Analysis**

*2004 net revenue – \$1.3 billion*

Our life sciences and chemical analysis business provides application-focused solutions that include instruments, software, consumables and services that enable customers to identify, quantify and analyze the physical and biological properties of substances and products. We employed about 3,900 people worldwide as of Oct. 31, 2004 in this business.

*Markets:* Life science markets, which account for about 40% of revenue from this business, include the pharmaceutical analysis, gene expression and proteomics markets. Chemical analysis markets, which make up the other 60% of revenue, include the petrochemical, environmental, homeland security and forensics, and bioagriculture and food safety markets.

*Product areas:* Our seven key product categories include microarrays; microfluidics; gas chromatography; liquid chromatography; mass spectrometry; software and informatics products; and related consumables, reagents and services.

## **Agilent Laboratories**

Agilent Laboratories is our central research organization. Agilent Labs engages in 1) applied research leading to technology that can be transferred to our existing businesses in communications, life sciences and electronics, and 2) research that creates new businesses that are outside of our current markets but within our fields of interest. Agilent Labs also provides technology integration across the company.

## **Agilent Sales and Support**

Agilent sells and distributes products primarily through direct sales, but we also utilize distributors, resellers, telesales and electronic commerce. Our businesses provide a range of services and customer support, including systems integration, technical and product support, consulting and knowledge services.

## **Related content:**

*Agilent.com*  
[2004 Corporate Report](#)

## Engagement

**We engage with our stakeholders in many ways. When appropriate, we consult and collaborate with them on issues of mutual importance.**

Agilent considers external charters, principles and guidelines that have been developed through multi-stakeholder processes to guide our business activities.

We also participate in a variety of intra- and cross-industry forums to address emerging issues, develop industry-wide approaches to social and environmental challenges and cooperate with governments, non-governmental organizations (NGOs) and other stakeholders on common concerns.

## Stakeholder engagement

Agilent's stakeholders include:

- Customers
- Employees
- Investors
- Suppliers
- Governments
- Communities
- Neighbors
- Non-governmental organizations (NGOs).

### Stakeholder consultations

We engage with our stakeholders through consultations, surveys, ad hoc feedback and reviews. These include:

- The Agilent Customer Satisfaction program surveys customers at various touch points across the businesses and regions, and reports the results quarterly
- In 2002, we began an annual survey of employee attitudes toward the Agilent workplace, management and other issues including the company's focus on corporate citizenship. The latest survey was conducted in September 2004. Results are discussed in the [Employment](#) section of this report
- Agilent's brand tracking survey conducted on a global basis annually, includes questions on perceptions of Agilent as a corporate citizen
- We conducted, in mid-2004, a survey of two Agilent communities in the United States, and thought and business leaders in the United States, China, Singapore and Korea to gauge our perceived effectiveness in addressing citizenship-related issues. See [Community investment](#) for more information
- We are working cooperatively with companies in our supply chain to identify and reduce or eliminate hazardous substances in our products. See [Hazardous materials](#) for additional discussion
- We have adopted a Supplier Environmental and Social Responsibility Code of Conduct for our suppliers and are working with our potentially highest-risk suppliers to address environmental and social issues in their operations. Go to [Supplier management](#) for more information
- We regularly meet and communicate with our investors and other members of the financial community. This includes one-on-one meetings with our CEO and executive staff in addition to members of our individual business groups, quarterly financial results conference calls with our CEO and CFO, and our annual shareholder meeting
- We have ongoing relationships with regulators at local, regional and national levels regarding operational areas such as EHS
- Agilent's last four Environment and Social Responsibility Reports invited stakeholders to provide feedback and questions.

### Use of information

These feedback mechanisms combine to provide Agilent with information to help improve our economic, environmental and social performance. For example, Agilent Quality reviews the questionnaires and our scores from socially responsible investment indices, to identify areas where we could further improve our performance. Similarly, Public Affairs uses the input it receives to guide our community programs, such as volunteerism and grants.

**Contact us**

We encourage stakeholders to contact us with their feedback on the issues that are important to them. You can submit comments via our [webform](#).

**Related content:**

*In this report*

[Supplier ESR Code of Conduct](#)  
[Employment](#)

*Agilent.com*

[Investor Relations](#)

*External websites*

[Business for Social Responsibility](#)

## External charters and principles

Many of Agilent's policies and practices used in the operation of our business are consistent with internationally accepted charters and principles. Some of the guidelines, charters, programs and principles that Agilent has used or modeled in developing EHS position statements, management systems and reporting structures and our Supplier Environmental and Social Responsibility Code of Conduct are:

- ISO 14001 – international standard for environmental management systems
- OHSAS 18001 – standard for occupational health and safety management systems
- Global Reporting Initiative – 2002 sustainability reporting guidelines
- 1987 Montreal Protocol on Substances that Deplete the Ozone Layer and adjusted by Meetings of the Parties in 1990, 1992, 1995 and 1997; Ozone Secretariat, United Nations Environmental Program
- United States EPA Memorandum of Understanding with semiconductor manufacturers - see the section of this report entitled "Air emissions"
- Conventions of the International Labour Organization.

### Related content:

*In this report*

[Management systems](#)

[Climate change – global change, global action](#)

[Supplier ESR Code of Conduct](#)

[Air emissions](#)

*Agilent.com*

[ISO 14001 Certificate of Approval](#) (PDF, 176 Kb)

*External websites*

[GRI](#)

[International Labour Organization](#)

[OHSAS 18001](#)



## **Memberships of organizations**

Agilent is a member of numerous organizations that help us keep abreast of best practices, provide us with valuable feedback from peers and stakeholders, and enable us to be active on a range of citizenship-related issues.

Examples of these memberships include:

- American Electronics Association
- American National Standards Institute
- BSR – Business for Social Responsibility
- Center for Corporate Citizenship at Boston College
- EIA - Electronic Industries Alliance
- EICTA - European Electronics Industry Association
- European Policy Centre
- European Union Committee of the American Chamber of Commerce
- Industry Council for Small Business Development
- ITI - Information Technology Industry Council
- JEITA - Japan Electronics and Information Technology Industries Association
- NEMI - National Electronics Manufacturing Initiative
- NMSDC - National Minority Supplier Development Council
- PaloAltoGreen
- Responsible Information Management Council with the Ponemon Institute
- SIA - Semiconductor Industry Association
- Sustainable Silicon Valley
- US-ASEAN Business Council
- US Council for International Business
- ZVEI - German Electrical and Electronic Manufacturers' Association.

In addition, we frequently belong to business and trade associations in the communities where we operate.

## Performance overview

Indicators	2002	2003	2004
<b>Financial performance</b>			
Net revenue (million US\$)	6,010	6,056	7,181
<b>Environmental performance</b>			
Air emissions (metric tons)	20	36	42
CO <sub>2</sub> emissions from energy (million kg)	345	332	308
Energy consumption (1,000 gigajoules)	2862	2612	2409
Fines for alleged violations (US\$)	0	0	500
Number of alleged EHS violations globally	30	10	23
Packaging (metric tons)	820	905	2342
Waste produced (metric tons)	10727	10955	8441
Water usage from operations (1,000 cubic meters)	3563	2856	2671
<b>Social performance</b>			
Community investment (million US\$)			5.2
Employee numbers (people)	36000	29000	28200
Gender mix all employees (% male / female)	60.6 / 39.4	59.6 / 40.4	59.7 / 40.3
Injury/illness rate	1.0	0.9	0.6
Global lost work-day case rate	0.20	0.16	0.12

See full report for reporting periods (fiscal year versus calendar year), explanations of trends and other additional information.

For more information on data collection go to [About our data](#).

### Did you know...

Agilent's headquarters in Palo Alto, California, has signed up to PaloAltoGreen, which allows subscribers to purchase renewable energy. Now, 6% of the site's total electricity usage comes from wind and solar sources, helping us address global climate change and moving us toward our goal of a reduction in CO<sub>2</sub> emissions.

### Related content:

*In this report*  
[About our data](#)

## **About our data**

This report is based on a combination of quantitative and qualitative data relating to our environmental and social performance during the calendar year 2004. Some of the data is reported for our fiscal year 2004 (Nov. 1, 2003 to Oct. 31, 2004) and is clearly marked as such. The data is recorded on a company-wide basis unless otherwise indicated.

We continue to evaluate and leverage opportunities to improve our data collection. This year we have collated and evaluated our report data in an online data tool, which assists in the collection and review of data.

Most of the quantitative data in this report has been summarized into three regions: Americas, Europe and Asia Pacific.

The health and safety data represents Agilent's worldwide operations (including manufacturing and field sites).

The environmental data covers the following manufacturing sites and Agilent Laboratories:

### **Americas:**

#### *USA*

Colorado Springs, Colorado

Folsom, California

Fort Collins, Colorado

Loveland, Colorado

Newport, Delaware (not included in previous reports as data was unavailable)

Palo Alto (Agilent Laboratories), California

Rohnert Park, California (included in previous reports under Sonoma County)

San Jose, California

Santa Clara - Stevens Creek, California

Santa Rosa, California (included in previous reports under Sonoma County)

Wilmington (Little Falls), Delaware

### **Europe:**

#### *Germany*

Boeblingen

Waldbronn

#### *UK*

South Queensferry

### **Asia Pacific:**

#### *China*

Shanghai

#### *Japan*

Hachioji

Kobe

#### *Malaysia*

Penang

#### *Singapore*

Three sites - Depot Road, Yishun and Senoko

During 2003, as part of Agilent's ongoing strategy to improve operations, we completed numerous consolidations of activities to fully utilize space. As a result we closed the following manufacturing sites: Newark, California; Santa Clara-Bowers, California; Santa Rosa Airport Site, California; Lake Stevens, Washington; and Ipswich, UK. We also consolidated some

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manufacturing operations, which resulted in manufacturing at Spokane, Washington, ceasing in late 2003. We are not reporting data for these locations in 2004.

When reviewing the data tables it should be noted that data might not sum exactly to the totals provided. This is generally due to rounding.

Some 2003 environmental data presented here may vary from that reported in our 2003 Environment and Social Responsibility Report. These are primarily minor changes due to improved calculations (ie rounding techniques in our new data management tool.) Significant changes are noted below data tables where applicable.

Due to the timeline for reporting, some 2004 environmental data is not available until after the February 2005 publication of this report. We updated the data tables in April 2005.

## Management

**“Our operational transformation has created a strong foundation of systems and management processes that will help Agilent be more responsive, flexible and innovative.”**

*Bill Sullivan*

*Executive Vice President and Chief Operating Officer*

The policies, values, organization and management systems described in this section apply across our businesses. They are designed to:

- Reduce our negative impacts on the environment
- Protect the occupational health and safety interests of our employees
- Ensure customer requirements are met
- Enhance our value to our communities
- Ensure the highest levels of quality in our products and services
- Increase our competitiveness
- Create a consistent approach across business groups, where applicable
- Meet the expectations of our stakeholders.

### **Environmental, health and safety (EHS)**

We manage EHS issues using a structure that involves several departments. Agilent Quality and Engineering Services (QES) and Global Workplace Services jointly provide leadership. Agilent QES reports into Agilent's Chief Operating Officer, and Workplace Services reports into Agilent's Chief Financial Officer.

### **Social**

Social and employee-related areas of Agilent are managed by a variety of functions. Human Resources is responsible for working conditions, terms of employment and human rights throughout worldwide operations. Corporate Affairs manages Agilent's policies and procedures in relation to the communities in which we operate. Both departments report into Agilent's Chief Executive Officer.

### **Economic**

Economic performance is monitored and analyzed by the Finance, Corporate Financial Reporting and Investor Relations functions. These functions report to Agilent's Chief Financial Officer. Their activities are guided by Agilent's Corporate Governance Standards, the Audit and Finance Committee Charter, the Compensation Committee Charter, the Executive Committee Charter and the Nominating/Corporate Governance Committee Charter.

### **Citizenship**

The organizations mentioned above and other pertinent groups within the company are part of a cross-functional Corporate Citizenship team that meets to address issues of company-wide interest, such as coordination of activities to help Agilent achieve its citizenship objective.

### **Related content:**

*Agilent.com*

[2004 Corporate Report](#)

[Corporate Governance](#)

[Investor relations](#)

[Environment](#)

[Jobs](#)

[Standards of Business Conduct](#) (PDF, 207 Kb)

## Policies and position statements

### Environment and Sustainability policy

To act in an environmentally responsible manner in regard to our operations, products and services. You can find out more at:

<http://www.agilent.com/environment/epolicy.pdf>.

### Occupational Health and Safety policy

To create the health and safety practices and work environments that enable our people to work injury and illness free. More information is available at:

<http://www.agilent.com/environment/ohspolicy.pdf>.

### Product Safety and Regulations policy

To provide products and services that meet legal requirements and are safe for their intended markets and applications. To find out more, visit:

<http://www.agilent.com/environment/safepolicy.pdf>.

### Quality policy

To earn customer loyalty by providing products and services of the highest quality and greatest value. You can find out more at:

<http://www.agilent.com/quality/qpolicy.pdf>.

### Employee diversity, inclusion, accessibility and work–life balance

We apply a range of policies and practices to promote employee diversity, inclusion, accessibility and work–life balance, including:

- Education assistance program
- Employee assistance program
- Employee network group guidelines
- Harassment-free work environment
- Non-discrimination policy
- Accessibility and accommodations programs and guidelines.

You can find out more about these [diversity and inclusion programs](#) here.

### Political Activities Policy

Agilent Technologies is active in the formation of public policies having an effect on the company, its employees or its operations, and we encourage communication between Agilent managers and public officials. While the company limits political activities on company time and premises, it encourages employees to be actively involved in civic affairs.

For specific questions about our political activities policy, please submit them via our [webform](#).

### Employee Volunteerism policy

Agilent employees may use up to four hours of company time per month, with manager approval, to work on company-supported education or community programs. You can find more about our [employee volunteering](#) here.

### **Privacy policy**

Agilent is committed to respecting and protecting the privacy of our customers and other stakeholders. Our policy is based on six privacy principles:

- Notice: providing notice of what data we collect and how it will be used
- Choice: offering choices as to how personal data will be used and with whom it can be shared
- Onward transfer: only transferring personal data to third parties that have agreed to abide by Agilent privacy standards
- Access and accuracy: giving individuals access to their data to ensure accuracy
- Security: keeping personal data secure
- Oversight and enforcement: Agilent participates in the Better Business Bureau OnLine Seal program and certifies annually under the United States Safe Harbor Program to ensure we meet the highest privacy standards.

More information about our [privacy policy](#) is available here.

### **Position statements and issue brief**

The following position statements and issue briefs are used to communicate Agilent's position on a range of environmental and social issues:

- Global climate change issue brief
- Glycol ethers elimination position statement
- Ozone-depleting substances elimination position statement
- Reducing perfluorocompound (PFC) emissions from semiconductor operations position statement
- Reproductive health for chemical and radiation operations position statement
- Restricted chemicals position statement
- Section 508 Accessibility Standards position statement.

If you have specific questions about any of these statements, please submit them via our [webform](#).

## Compliance

It is Agilent's policy to comply with applicable EHS legal requirements in the markets in which we operate. Despite our many safeguards, minor incidents are sometimes identified in our operations during the course of regulatory inspections. In addition, where applicable, Agilent sites report their own violations if and when they occur.

During the fiscal year 2004, there were 23 alleged regulatory violations associated with EHS operations at our sites worldwide. We work cooperatively with government authorities to resolve these types of issues.

We monitor our violations in order to learn from them so that we can initiate new policies and programs that might prevent similar incidents in the future.

<b>Fiscal year</b>	<b>Alleged EHS violations</b>	<b>Fines (US\$)</b>
2002	30	0
2003	10	0
2004	23	500

<b>Fiscal year 2004</b>	<b>Asia Pacific</b>	<b>Europe</b>	<b>USA</b>
Alleged EHS violations	1	0	22

The number of alleged violations increased in part due to an increase in the number of regulatory inspections. All alleged violations were minor. There was one corresponding fine, US\$500, for wastewater discharge from our Singapore facility. We take alleged violations very seriously. Corrective actions have been implemented in all cases. For 2005 we are planning a focus area of compliance assurance in our internal audits.

### Related content:

*In this report*

[Product responsibility](#)



## **Managing risk**

Risk management is a system that includes risk assessment and analysis, risk mitigation and risk financing. Agilent uses a largely decentralized approach to risk management. This acknowledges risk management expertise within many functions and the integration of risk management practice throughout Agilent.

Agilent Global Risk Management (AGRM) is responsible for developing and implementing risk financing strategies for the company's exposures. Business Continuity Planning (BCP) is a business requirement at Agilent, endorsed by executive management and audited by Agilent Global Audit Services. AGRM leads a BCP Risk Council responsible for setting Business Continuity management strategy and offers the BCP website with tools to assist Agilent businesses, global process owners, shared service providers and global functions in the development of BCPs.

AGRM also manages:

- Disaster recovery planning
- Contracts risk management
- Insurance claims processes
- Incident response
- Merger and acquisition due diligence
- Property protection engineering.

## Management systems

### Environmental, Health and Safety Management System (EHSMS)

Our EHSMS is a company-wide system designed to provide a framework for the EHS programs and policies.

The EHSMS is central to our strategy for developing an environmentally sustainable business. It forms our approach to managing potential environmental and occupational health and safety impacts from Agilent and covers our design, development, manufacturing, distribution, and sales and service operations worldwide.

#### ISO 14001

The sections of our EHSMS that address the environment meet the requirements of ISO 14001, an international standard for environmental management systems. Agilent achieved its first registration to BS7750 (the precursor to ISO 14001) in 1995 at our South Queensferry, Scotland site, which was a participant in the pilot program. Building on those local efforts, we achieved ISO 14001 registration of our company-wide EHSMS in April 2001. This initial registration laid the groundwork for us to register our manufacturing sites under a single, company-wide certificate.

Agilent's EHSMS has been implemented at R&D facilities and other large non-production facilities. These sites are not included in our ISO 14001 registration.

#### OHSAS 18001

Our South Queensferry site in Scotland was also the first Agilent site to achieve accreditation to the occupational health and safety management system standard, OHSAS 18001. The accreditation was achieved in October 1999. Although Agilent's EHSMS is designed to align with OHSAS 18001, we do not currently plan to register other sites to this standard.

#### Related content:

*Agilent.com*

[EHSMS](#)

[Agilent ISO 14001](#)

[Environment](#)

[ISO 14001 Certificate of Approval](#) (PDF, 176 Kb)

## **Our impacts**

Agilent's activities can have positive and negative impacts on the environment and on occupational health and safety.

Each year, we review our activities to identify aspects of our operations and products that may have significant EHS impacts. This review contributes to the development of EHS-related objectives and targets.

When developing the objectives and targets, the significant aspects are considered alongside our policies, the available technological options, our financial, operational and business requirements, and the views of interested parties.

Agilent's significant company-wide EHS aspects for fiscal year 2005 are:

- Chemical use, storage and handling
- Contractor activities
- Energy use
- Force, frequency and posture (ergonomics)
- Materials selection
- Materials use
- Packaging
- Solid waste generation.

Agilent has controls in place to manage risks in these areas.

The addition of packaging was the only change in our EHS significant aspects list from 2004 to 2005.

## **Disclosure**

Agilent employs applicable legal standards for disclosure of financial and non-financial information including environmental and social data and commentary.

A wide range of information about the organization is publicly available at [www.agilent.com](http://www.agilent.com), in the Annual Report, our Form 10-K and the Proxy Statement.

Agilent has reported annually on environmental and social performance against the Global Reporting Initiative (GRI) for the past five years. The information disclosed in these reports often exceeds global and local requirements.

There are instances where Agilent does not disclose company information. This is due to restrictions such as financial reporting rules applied by the SEC, privacy rights, litigation, emissions reporting restrictions (i.e. the Semiconductor Industry Association Memorandum of Understanding with the United States Environmental Protection Agency) or other restrictions.

If you would like information regarding Agilent and are unable to locate it in the sources noted above, please contact us through our [webform](#) for assistance.

### **Related content:**

*Agilent.com*

[Corporate Report 2004](#)

[Form 10-K](#)

[Proxy Statement](#)

## Information for investors

**Agilent's corporate citizenship objective is to be an economic, intellectual and social asset to the nations and communities where we do business throughout the world.**

Agilent strives to operate our company in a responsible, ethical fashion, and communicate openly about our economic, environmental and social performance. This commitment helps us more effectively achieve our business goals and better identify, understand and act on issues, opportunities or risks that could affect our success as a global enterprise.

Our citizenship performance and disclosure of this information has resulted in inclusion in socially responsible investment indices. These include the Dow Jones Sustainability World Index for the fourth year running, the FTSE4Good Global and U.S. Indices of socially responsible companies and several other indices including Storebrand Investments, Calvert Social Index and the Ethibel Sustainability Index.

Our interactions with investors suggest that the key points of interest are our governance and risk management practices, and our performance and key issues.

### Governance

Our [governance policies](#) are discussed in detail on our website. Company Directors are guided by:

- Corporate governance standards, which include a definition of independence for outside Directors and the requirement that a majority of the Board be composed of outside Directors
- Code of Ethics for Directors
- [Standards of Business Conduct](#).

### Management

Our management of environmental and social issues is described in [Management](#).

### Performance

Investors can find information on our performance in key environmental and social areas throughout this report or can fast-track to data in [Appendix I](#).

### Issues

Based on our interactions with investors, we have identified some areas of most interest. In addition to the performance information in these areas, our current actions and challenges are featured in the [Our actions](#) section of this report. They are:

- [Climate change](#) – global change, global action
- [Agilent Action and giving](#) – taking action in the global community
- [Hazardous materials](#) – reducing and eliminating hazardous substances
- [Supplier management](#) – environmental and social responsibility.

**Related content:**

*In this report*

[Managing risk](#)

[Disclosure](#)

[Supplier ESR Code of Conduct](#)

[Financial performance](#)

*Agilent.com*

[Corporate governance policies](#)

[Standards of Business Conduct](#) (PDF, 207 Kb)

## Environmental performance

### Environmental achievements during 2004 include:

- Reduced company-wide energy use by 6.3%
- Implemented a Supplier Risk Evaluation program
- Made significant progress toward tracking and eliminating lead and other hazardous materials from our component products
- Published Agilent's first-ever Supplier Environmental and Social Responsibility Code of Conduct
- Introduced new products designed specifically for environmental testing. Examples include the 7500CE ICP-MS for metals, 5973 inert GC/MSD for semivolatiles and volatiles, IC-MS for perchlorate, and Markes Unity for air analysis
- Hosted joint environmental training event with the Chinese National Environmental Monitoring Center in Beijing
- Celebrated our second Agilent Action Week, linking it to Agilent Earth Week activities. 1,700 Agilent volunteers from across the globe spent time on environmental causes
- Established an infrastructure to monitor product materials content
- Developed Design for the Environment (DfE) training and delivered to Agilent's business group-level product stewards.

For discussion of the challenges in these areas in 2004 and our objectives for moving forward in 2005, see the performance pages in this section.

Due to the timeline for reporting, some 2004 environmental data is not available until after the February 2005 publication of this report. We updated the data tables in April 2005.

## Air emissions

**Agilent is committed to the reduction of emissions throughout our business. We have a range of policies, programs and objectives in place to help us monitor and improve in these areas.**

Some of Agilent's indirect impacts include:

- An estimated 231.7 million miles flown by Agilent business travelers worldwide in 2004, which contributed a release of approximately 52 kilotons of CO<sub>2</sub>
- Approximately 19.2 million miles driven by Agilent employees in the United States, which contributed a release of an estimated 9.1 kilotons of CO<sub>2</sub> (the Asia Pacific and European fleet miles have not been quantified to date)
- Emissions from miles driven by employees to and from work have not been quantified to date
- Agilent's total quantified CO<sub>2</sub> emissions from travel (where calculated), purchased electricity, and natural gas and fuel oil were 369 kilotons in 2004, compared to 399 in 2003.

### Greenhouse gas emissions

We currently use the World Resources Institute approved methods to report our total greenhouse gas (GHG) emissions. At present we track energy use (our largest source of GHG emissions), including how much fuel oil and natural gas we burn, in terms of kilowatt-hours, joules and tons of CO<sub>2</sub> emissions.

In 2004, we worked to understand our primary sources of CO<sub>2</sub> emissions, in addition to those emissions from our purchased electricity and natural gases. Based on this assessment, we will begin to quantify our emissions from sources other than purchased supply. Our goal is to build a complete inventory for tracking and defining future opportunities.

Our highest GHG emissions come from our Semiconductor Products Group Business and are based on energy usage and perfluorocompound (PFC) emissions. Reducing the emission of PFCs, poses a technical challenge to semiconductor manufacturers because the quantity of PFCs used is increasing and substitute chemicals are currently not feasible. Thus more efficient usage and/or abatement of these emissions is the roadmap to further reductions. For more information on efforts to reduce PFCs go to [Reducing PFCs](#).

Our semiconductor sites are tracking the emissions of seven GHGs and reporting the United States portion to the EPA.

The seven gases being tracked are:

- Hexafluoroethane (Halocarbon 116) - C<sub>2</sub>F<sub>6</sub>
- Tetrafluoromethane (Halocarbon 14) - CF<sub>4</sub>
- Trifluoromethane (Halocarbon 23) - CHF<sub>3</sub>
- Sulfur Hexafluoride - SF<sub>6</sub>
- Nitrogen Trifluoride - NF<sub>3</sub>
- Perfluoropropane - C<sub>3</sub>F<sub>8</sub>
- Octafluorocyclobutane - C<sub>4</sub>F<sub>8</sub>



**Ozone-depleting substances**

Agilent has eliminated the use of chlorofluorocarbons (CFCs) in its manufacturing operations and remains committed to eliminating the use of restricted CFCs in air conditioning systems, process chillers and environmental chambers by the end of 2006. Our plan is on-track with several replacements completed in 2004.

Also in 2004, we began evaluating the impact of smaller sources that contain CFCs such as climatic chambers used in product testing.

Read more about our [commitment to reducing greenhouse gas emissions](#).

[See our performance data](#).

**Related content:**

*In this report*

[Climate change – global change, global action](#)

*External websites*

[Semiconductor Industry Association](#)

[United States Environment Protection Agency](#)

## Biodiversity

**Agilent is aware that large companies can impact the diversity of the environment. We are working at a global level to reduce the impact of our operations, products and services on the environment and at a local level to care for the areas that surround our sites.**

One of Agilent's most significant impacts on biodiversity, however, is through employee volunteerism and philanthropy.

In 2004, some 1,700 Agilent volunteers at more than 50 locations around the world came together during Agilent Action Week to improve the environment in their communities. The effort – organized under the theme “Clean Air and Water for a Healthier World” – was held April 19–23 to coincide with the observance of Earth Day on April 22.

Employee commitment is further exhibited by a range of ongoing projects throughout the company. These include:

- A wildlife garden at South Queensferry, Scotland. Children from the local primary school visit the site to view “mini-beast” (i.e. insect) hunts and pond dipping, and gain an awareness of trees and plants
- Nest boxes set up at Agilent Laboratories in Palo Alto, California site. These have attracted local species of birds, with successful hatchings
- A duck ramp was added to the reflecting pool at the Santa Clara site. This feature allows ducklings to safely leave the water
- Bird boxes to allow safe harbor for different species of birds, and large boulder and rock areas to allow habitat for reptiles at the Little Falls site near Wilmington, Delaware. There is also a program to preserve the natural landscape by allowing the native grass and plants to grow without being disturbed.

### **Did you know...**

Agilent has provided a grant to The Nature Conservancy, a worldwide environmental conservation organization, to help address the ecological and health risks associated with fuel wood use for cooking and heating in Shangri-La County in Yunnan Province, China. The grant provides technology and alternative energy units that range from energy-efficient stoves and solar heaters to micro-hydropower generators.

### **Related content:**

*In this report*

[Agilent Action and giving – taking action in the global community](#)

## Energy

### **Agilent committed to reducing energy consumption by 5% annually from 2000 through 2004.**

While we achieved an annual reduction of over 4%, a little short of our 5% target, this remains a significant reduction of 24.5% on 2000 levels.

We have achieved these reductions by implementing energy use controls across our sites, such as temperature and lighting guidelines and sharing best practices of completed energy conservation projects among sites.

We also track energy use across our operations on a kilowatt-hour per square foot basis to assess operational differences. Our energy usage per square foot increased this year by 7.8% from fiscal year 2003, while the total energy used in fiscal year 2004 was reduced by 6.3%. As we continued to consolidate space, we are better utilizing square footage at existing operations resulting in increased energy usage per square foot while decreasing our overall energy usage by exiting lower utilized locations. The result is that we continue to reduce our energy usage, but increased our usage per occupied space. In 2004, we built on the objectives and targets we set in previous years by:

- Adding detail to our definition of renewable energy sources. This clarity allows us to better understand our sourcing opportunities for renewable energy purchase
- Monitoring and analyzing our consumption of energy – we have implemented a centralized web-accessible database that provides visibility to energy usage data at all U.S. sites. Using this website, site-based employees validate data usage and monitor site energy usage trends
- Holding quarterly meetings with Agilent's utility team and third-party facilities maintenance contractor to discuss opportunities and projects to reduce energy consumption from operations.

As we move into fiscal year 2005 we have set a goal of 3% energy conservation (using fiscal year 2004 as a baseline). We are also updating our internal energy policy to include continual improvement in the energy efficiency of our operations as measured by energy usage and cost.

### **Indirect impacts and CO<sub>2</sub> emissions**

Agilent's most notable indirect impact on the environment is through its use of purchased electricity.

In 2004, Agilent purchased over 550 million kilowatt-hours of electricity for its operations worldwide. Using regional emission conversion factors for the production of electricity and adding our natural gas and fuel oil consumption, this equates to a release of 308 million kilograms of CO<sub>2</sub> to the atmosphere. This compares to 332 million kilograms in 2003 and 345 in 2002. This decline is due to both Agilent's energy management programs and our consolidation of facilities.

Read more about our [commitment to reducing greenhouse gas emissions](#).

In the 2003 report, the 332 and 345 million kilograms for CO<sub>2</sub> for 2003 and 2002 respectively were incorrectly stated to be from purchased electricity. They represent CO<sub>2</sub> emissions from purchased electricity and fuel oil and natural gas.

[See our performance data.](#)

## Materials

### **Making efficient use of our resources benefits our business, our stakeholders and the environment.**

The company has a range of strategies to monitor and control its resource use:

- We monitor new and emerging materials restrictions, regulations and requirements
- We have established recycling, remarketing and refurbishment programs
- We have implemented packaging alternatives that reduce environmental impacts. We encourage our suppliers to minimize the impact of packaging materials. See the [data tables](#) for information on our success and challenges regarding packaging
- Each of our businesses has a Product Stewardship team that seeks ways to improve resource use in product design and manufacturing
- We have made significant progress toward eliminating lead and other hazardous materials from our component products. Agilent's Semiconductor Products Group (SPG) now has a full range of lead-free products compliant with the Restriction of Hazardous Substances (RoHS) Directive. This will enable our customers to produce compliant products by the July 2006 directive deadline
- We have established an infrastructure to monitor product materials content.

To reduce and eliminate the use of restricted materials in our products, we need to understand the issues. Agilent has been working with the Electronics Industry Alliance to establish a common approach to identifying and reporting hazardous materials across the electronics industry and supply chain. In 2004, we developed an Agilent Restricted Materials (ARM) database to track use of restricted substances in our purchased materials. Our PLANet system, utilizing data from ARM, enables us to track and report restricted materials at the product level.

In 2004, our Product Stewardship team also established the "End of Life" working group. This group is working on restrictions and recommendations for product labeling to aid recycling and disposal at the end of the product lifecycle.

Agilent can provide additional information about its standards and requirements for materials use – both within Agilent and by our suppliers. We encourage stakeholders to contact us with their comments and questions by using our [webform](#).

Read more about our efforts to [reduce and eliminate hazardous substances](#).

#### **Did you know...**

As of November 2004 Agilent had shipped more than 10 million lead-free optocouplers since production began in November 2003. Agilent's optocouplers are the most widely used in applications such as industrial networking, motor control and plasma display panels. Agilent's semiconductor products already comply with the European Union RoHS requirements, which will take effect in 2006.

[See our performance data.](#)

#### **Related content:**

*In this report*

[Hazardous materials – reducing and eliminating hazardous substances](#)

## Products and services

**It is our policy to provide products and services that meet legal and regulatory requirements, including applicable environmental standards.**

In some instances, we exceed local standards and regulations due to customer expectations or our adherence to stricter global standards. We also provide our expertise in the development and updating of international standards that have significant importance to our industry and customers.

Environmental standards for products and services are part of our Environmental Health and Safety Management System (EHSMS). The EHSMS includes periodic audits of our product stewardship programs.

Our products and services are assessed across their lifecycles to minimize their negative environmental impacts. We also work with suppliers and customers to promote the responsible disposal of products when they are no longer needed (see [Materials](#)).

Over the last year, we have:

- Introduced new products designed specifically for environmental testing. Examples include the 7500CE ICP-MS for metals, 5973 inert GC/MSD for semivolatiles and volatiles, IC-MS for perchlorate, and Markes Unity for air analysis
- Hosted a joint environmental training event with the Chinese National Environmental Monitoring Center in Beijing
- Improved our system for tracking hazardous materials in our products by introducing a search tool to scan Agilent Bill of Materials for parts with hazardous substances
- Initiated an Eco-design team, which developed and began delivery of an awareness presentation on product development and the environment.

We have also continued our Purchase Alternatives initiative, which allows customers a range of alternatives for purchasing Agilent products. These include refurbished equipment options, our trade-in program, leasing and financing plans, and equipment rental. The initiative allows customers to effectively acquire, manage and recycle equipment. The program helps to reduce resource and energy usage associated with manufacturing new products.

### Purchase Alternatives Initiative

Fiscal year	2003	2004
Refurbished products sold	6211	3427
Growth/decline	-	-45%

This data includes returned products received during our fiscal year. Sources are back-off lease, trade-in, customer returns, demonstration equipment, loans, etc. These figures are below the number stated in the 2003 report. The numbers stated in 2002 and 2003 were for products received into the program (not the actual number sold as was incorrectly stated). The Purchase Alternatives initiative is for Agilent's ESPG and CSG businesses.

The rate of sales declined in 2004 due to a decrease in the inventory of refurbished equipment available for sale.

Read more about our efforts to [reduce and eliminate hazardous substances](#).

**Related content:**

*In this report*

[Hazardous materials – reducing and eliminating hazardous substances](#)  
[Materials](#)

[Product responsibility](#)

*Agilent.com*

[Environmental Testing](#)

## Waste

**Agilent's waste management program is designed to responsibly manage the handling, storage and final disposal of chemical and solid waste; and reduce the amount of chemical and solid waste generated by our manufacturing operations.**

Reduction of waste increases overall production efficiency thus reducing costs for Agilent. Those savings can be passed onto customers.

We have been working on strengthening the relationships between Agilent functions that handle electronic waste. This effort is part of our 2004 plan to deploy consistent electronic waste management across businesses and functions. Our results have included:

- Bringing together a work team with representatives from the Global Waste Team, Product Stewardship, Product Regulations, Procurement and Legal to communicate and collaborate on key issues
- Implementation of an employee decision tree for excess electronic equipment.

In 2005, we are asking sites to commit to a 3% reduction of waste to landfill. One of the strategies to meet this effort includes reducing office paper consumption. In the past our paper consumption efforts have focused on managing proper recycling for the paper we generated. Now our plan is to reduce the amount of paper required.

Agilent continues to improve waste vendor performance and accountability through quarterly scorecards and meetings. We will further refine our contractor management requirements for electronic waste performance and accountability in 2005. The scorecard gives our sites an opportunity to rate various performance points with established targets for good, fair and poor performance. Once the scorecard is completed, we meet with our suppliers to work on improving performance and highlight areas of successes. This process allows us to reduce risks from suppliers operating at our sites in areas such as waste handling and emergency response.

### **Did you know...**

Agilent has won the 2004 WRAP award. The annual Waste Reduction Awards Program (WRAP), established in 1993 by the California Integrated Waste Management Board, recognizes California businesses that have made outstanding efforts to reduce nonhazardous waste and send less garbage to landfill sites. Agilent's Sonoma County, Palo Alto (Agilent Labs), San Jose and Santa Clara sites' solid waste recycling programs have been recognized with this award.

[See our performance data.](#)

## Water

**Although water use is not a significant aspect for Agilent, we are committed to water conservation and water management projects around the globe as they provide both environmental and cost savings benefits for Agilent and our stakeholders.**

Water use is primarily due to building operations, with few manufacturing sites having significant water use from production. However, Agilent has embarked on local water conservation programs at many of our sites. These programs typically include efforts to reduce water use through operational control changes, the use of reclaimed water and the inclusion of drought-tolerant plants in landscaping projects.

Water use for operations has declined over the past three years. 2004 water use for operations was 2671000 cubic meters compared to 3563000 in 2002 and 2856000 in 2003.

This year, we worked with sites to collect more reliable information on irrigation data and water use from our operations. We collect this data separately from our normal utility bills. In previous years, we collected the water usage from our billing data, which did not provide this greater level of detail. We will continue working with sites not currently able to track irrigation water usage from their utility bills.

### **Discharges to water**

Agilent collects information on significant discharges to water across its worldwide operations. These are collated on a local basis and according to local requirements.

### **Did you know...**

Agilent's Santa Rosa, California site received the State of California's Pretreatment, Pollution Prevention and Stormwater Facility of the Year Award. The judges of this prestigious state-wide award recognized the site's pollution prevention and control measures as being "very impressive". They also took into consideration the facility's solid waste management, recycling and energy programs.

In 2004, this facility treated 31 million gallons of process wastewater reclaiming 60% or 18.9 million gallons, saving the company US\$143,000 in city water and industrial waste discharge fees.

[See our performance data.](#)



## Social performance

### Social achievements during 2004 include:

- Provided support in the form of cash and equipment totaling US\$5.2 million to universities, pre-university science and math education programs, environmental programs, and health and human services organizations worldwide
- Achieved number 9 ranking in *Business Ethics* magazine's "100 Best Corporate Citizens"
- Expanded our Agilent AfterSchool hands-on science program to reach approximately 24,000 students ages 9–13 around the world. In addition, other pre-university education programs supported by Agilent impacted approximately 14,000 teachers and 248,000 students
- More than 20% of Agilent employees worldwide donated 50,000 hours of volunteer community service
- Completed our employee survey with a 74% response rate. The overall favorable responses increased seven points over 2003. 62% of employees responded positively to the "I would recommend Agilent as a good place to work" item
- Introduced a product sign-off procedure to ensure the quality standards of Agilent products entering the market
- Implemented a Supplier Environmental and Social Responsibility Risk Evaluation program and Code of Conduct
- Received a perfect score from the Human Rights Campaign Foundation's Corporate Equality Index of best employers for lesbian, gay, bisexual and transgender employees
- Achieved 17.7%, or more than US\$300,000, in environmental grants out of Agilent's worldwide contributions program budget. This exceeded the goal of 15%. The goal for 2005 is 20%
- Improved travel safety and security by implementing a global system that tracks Agilent employees on business trips allowing us to locate them in cases of emergency or risk
- Reduced lost workday occupational health injury and illness case rate by 25%.

### Did you know...

Joined by their country general managers, Agilent employees across Asia turned out for Earth Day to plant trees, clean up trash, and teach youngsters scientific facts about the water and air.

Agilent's Life Sciences and Chemical Analysis business in the United States invited students from a San Jose, California high school to tour the nearby United States Geological Survey (USGS) office, where they learned about earthquakes and saw how the USGS uses Agilent's gas chromatograph equipment to prepare water and soil samples for analysis.

## Community investment

**Agilent's Citizenship Objective is to be an economic, intellectual and social asset to each nation and community where we do business.**

Agilent has been consciously and strongly committed to community involvement since becoming an independent company. This commitment has taken several forms:

### **Agilent Giving**

During 2004, Agilent invested US\$5.2 million in cash and equipment to education, health and human services, and environmental organizations and programs worldwide.

### **Agilent Action**

Our community involvement programs, collectively known as Agilent Action, are focused on "inspiring minds and enriching lives." To "inspire minds" we support initiatives that increase student interest and achievement in science education, placing a particular emphasis on females and other groups that are under-represented in the technology industry. We "enrich lives" by supporting initiatives that help communities address local health and human services needs, and environmental issues.

Our employees are actively encouraged to take part in these Agilent Action programs. With their manager's approval, employees can use one hour per week, or up to four hours per month, of paid time to volunteer for Agilent-sponsored or supported activities. This year, there were more than 8,000 volunteer experiences contributing approximately 50,000 hours to benefit the community.

### **Interaction with our communities**

In 2004 we conducted external surveys in two Agilent United States communities – Loveland/Fort Collins, Colorado, and Wilmington, Delaware – and in China, Singapore and Korea. The surveys indicated that Agilent could do more in the way of corporate citizenship, particularly in supporting diversity, education and economic development initiatives. These are now included as priorities in our 2005 community involvement plans.

Read more about [Agilent Action and giving](#).

### **Did you know...**

Agilent rocketed into the number 9 spot on *Business Ethics* magazine's 100 Best Corporate Citizens list for 2004. Agilent was acclaimed for its superior treatment of the community and diversity practices.

**"Agilent's commitment to be a leading corporate citizen is unwavering and we're very pleased that our way of doing business and related results have been recognized in this way."**

*Gene Endicott*

*Director of Public Affairs*

[See our performance data.](#)

**Related content:**

*In this report*

[Agilent Action and giving – taking action in the global community](#)

*Agilent.com*

[Agilent in the Community](#)

[Environment and Sustainability Policy](#) (PDF, 26Kb)

## Diversity and opportunities

**Global diversity and inclusion are critical components of Agilent's success. We strive to create an inclusive environment that respects and celebrates unique perspectives and life experiences.**

We want and welcome a diverse range of skills and viewpoints and have implemented policies and strategies to ensure that our rich cultural diversity is leveraged for our competitive advantage.

Agilent actively recruits top talent from under-represented groups around the world, and works to build an inclusive environment that develops and retains a diversity of leaders.

In the United States, our Supplier Diversity Program is best-in-class and promotes diversity in the marketplace by increasing procurement and business opportunities for diverse businesses.

Agilent shows its commitment to diversity and inclusion in the community by awarding grants and establishing partnerships that champion science, math, educational and leadership opportunities around the world.

### **Business imperative**

At Agilent, we recognize that:

- Our employees, customers, suppliers and strategic partners are increasingly global in nature and reflect a broad mix of cultures, across which we have to relate effectively
- Diverse perspectives can help us achieve competitive advantage and become a leader in innovation, problem solving and creativity
- Attracting and retaining top talent is increasingly difficult, so there should be no barriers to the hiring, retention and promotion of the best, diverse talent.

### **Company-wide activities**

2004 has seen Agilent and its employees participate in a number of activities, listings and award programs. These included:

- Achieving 9th place in *Business Ethics* magazine's "100 Best Corporate Citizens", a list which measures corporate service to seven stakeholder groups including women and minorities
- 14 Agilent facilities marking the third annual Abilities Day by inviting high-school students with disabilities to visit and learn about the company, careers and Agilent's environment. Abilities Day is part of Agilent's Accessibility and Accommodation Program, which is one of the ways the company demonstrates its commitment to an inclusive environment for all employees
- Receiving a perfect score from the Human Rights Campaign Foundation's Corporate Equality Index of best employers for lesbian, gay, bisexual and transgender employees.

**"We know that valuing our diversity is essential to attracting and retaining the best employees and differentiating Agilent in our industry. It also shows our genuine support of all members of our global community."**

*Ned Barnholt*

*Chairman, President and Chief Executive Officer*

**Did you know...**

Agilent Singapore was recently awarded the 2004 Singapore Family Friendly Employer Award, giving them national recognition as a family-friendly employer. The award is presented by the Singapore Ministry of Community Development and Sports, the Ministry of Manpower, the National Trades Union Congress and the Singapore National Employers Federation.

[See our performance data.](#)

## Employment

**2004 saw an economic upturn for Agilent. This rejuvenated our ongoing commitment to make Agilent an employer of choice across the globe.**

We aim to:

- Provide employees with a working environment they find challenging and enjoyable
- Ensure outstanding leaders at every level
- Encourage open communication and feedback with management
- Invest in employee development.

### Employee survey

More than 21,000 employees gave opinions on their experience at Agilent in the 2004 survey. The results showed that overall, employee satisfaction has improved on 2003 but there is still work to do to accomplish the “high” seen in 2002. The results have been distributed to executive and country managers, who are developing action plans on issues of concern, such as leadership and employee development, in their regions and functions. The survey is part of Agilent’s program of continuous improvement in employee satisfaction.

### Work–life balance

Flexibility and work–life balance are actively promoted within the company. Initiatives include:

- Flexible work arrangements. Part-time work, telecommuting, job shares and variable work schedules
- Flexibility practices. Employees can use our time-off programs to take paid time off for a variety of reasons, such as rest, vacation, personal business or illness
- Reinventing work. This program provides a framework for managers and employees to address job demands and work-pressure issues
- Dependant care resources and referrals. Employees who have dependant care responsibilities can turn to a variety of services
- Working parent networks. Agilent supports a variety of working parent networks that share resources, tools and other services.

### Wages and benefits

Our compensation packages include competitive pay, opportunities for bonuses and a number of non-financial benefits ranging from medical care to length-of-service awards. We also offer a performance-based Results Bonus Program and an employee stock purchase program (where local legislation allows).

Agilent's executive compensation packages are composed of pay, stock and benefits. Each year, the Compensation Committee assesses individual performance and surveys executive compensation practices among Agilent's peers before making its recommendations on compensation.

Individual performance of executives is measured against the following factors, which may vary as required by business conditions:

- Long-term strategic goals
- Short-term business goals
- Revenue and profit goals
- Customer satisfaction
- New business creation
- Total stockholder return
- Development of employees
- Fostering of teamwork and other Agilent values.

You can read more about our executive compensation policies and practices in our Proxy Statement.

**Training and education**

Training and development opportunities are offered to employees throughout the company. We have a range of programs, workshops and on-the-job learning to help our employees develop their technical and professional capabilities and encourage them toward even greater achievements in the future. The top three topics for training in 2004 were manufacturing processes, products and technology and leadership and management development.

**The 2004 employee survey**

**"We're encouraged by the improvement in our 2004 employee survey, and we're increasing our focus on leadership development and management by objectives - the core influences on employee morale and business success"**

*Jean Halloran*

*Senior Vice President, Human Resources*

[See our performance data.](#)

**Related content:**

*Agilent.com*

[Proxy Statement](#)

[Jobs](#)

## Health and safety

**Agilent's Occupational Health and Safety (OHS) policy is to create the health and safety practices and work environments that enable our people to work injury- and illness-free. Managers and employees are expected to support the implementation of these practices.**

### Health and safety goals

During the fiscal year 2004, we achieved the following company-wide goals:

- Reduced lost workday occupational health injury and illness case rate by 25%
- Increased management accountability for injury/illness performance through improved reporting
- Conducted drills at all manufacturing facilities to improve crisis management readiness
- Improved travel safety and security by implementing a global system that tracks Agilent employees on business trips allowing us to locate them in cases of emergency or risk.

Our health and safety goals for the fiscal year 2005 are to:

- Deploy a global online injury/illness reporting and corrective action tracking system
- Conduct crisis management training in country organizations
- Improve our ability to track and report employee EHS training.

Aside from company-wide initiatives, Agilent manufacturing sites have local safety committees, with membership drawn from the employee teams that they represent. The committees are charged with resolving safety issues, increasing awareness of safety implications among employees and improving the overall site safety performance.

We also have an EHS training program that enables our employees to stay informed regarding current issues for maintaining a safe work environment.

### HIV and AIDS-related non-discrimination policies

It is Agilent's policy to maintain a work environment that is free from harassment, and to insist that employees be treated with dignity, respect and courtesy.

### Did you know...

Agilent is collaborating on a breakthrough application of microarray technology that could greatly enhance our ability to identify and locate genetic alterations that contribute to cancer. In addition to shedding light on how tumors arise, this could help identify the most promising targets for drug development.

Agilent's Global EHS and Travel teams continually monitor safety and security conditions that could expose employees to higher than normal risks. If it is felt that a risk exists in a particular country a travel advisory or restriction may be imposed. In addition, health-related information for SARS and Avian Flu type diseases is available as guidance to managers and employees.

[See our performance data.](#)



## Human rights

**Strong ethics have always been an important part of the Agilent way of doing business and human rights are certainly no exception. It is Agilent's policy to maintain a work environment that is free from harassment, and to insist that employees be treated with dignity and respect.**

Agilent's [Standards of Business Conduct](#) provides requirements as to whom we do business with and how that business is conducted. Agilent employees may not establish or maintain a business relationship with a supplier if they believe that its practices violate local laws or basic international principles relating to labor standards. Similar language is included in our contract manufacturing agreements.

In 2004 we introduced the Agilent Supplier Environmental and Social Responsibility Code of Conduct, which incorporates eight International Labour Organization (ILO) Conventions that have been identified as fundamental to the rights of human beings at work. These include not using child, forced or compulsory labor; freedom of association; and non-discrimination. It also asks Agilent's suppliers to encourage adherence to similar principles from their own suppliers.

### **Related content:**

*In this report*

[Supplier ESR Code of Conduct](#)

## Labor practices

**Agilent's goal is to maintain a good-quality relationship between employees and management.**

### **Workforce management program**

By the end of 2004, Agilent's business performance was much improved on previous years but, as part of our economic recovery, tough decisions still needed to be taken. Agilent reduced the number of employees by approximately 1,700 during 2004.

We have tried to minimize disruption to jobs created by workforce management and institute practices that treat our employees – those leaving the company as well as those remaining – with respect and dignity.

### **Employees represented by independent trade unions**

No Agilent employees are represented by independent trade unions in negotiations with Agilent.

### **Related content:**

*In this report*

[Employment](#)

[Human rights](#)

*Agilent.com*

[Jobs](#)

[Standards of Business Conduct](#) (PDF, 207 Kb)

## Product responsibility

**Agilent has a Product Safety and Regulations (PSR) policy to provide products and services that meet legal requirements and are safe for their intended markets and applications. It is communicated to relevant employees and is available to customers and other stakeholders.**

In 2004, we improved our reporting and management system for resolving Agilent product safety-related events. We have also enhanced our information collection and analysis to reduce such occurrences.

### Product quality

During the past year we also introduced a new company-wide product quality sign-off procedure. Sign-off must be achieved before a product is put on the market. Individuals in the product development team are identified as responsible for confirming the product's conformance to legal and Agilent-specific standards and for ensuring that environmental goals have been met. Agilent has begun providing training classes for employees responsible for the environment-related portions of the sign-off.

### Regulatory compliance

During the fiscal year 2004, Agilent was not the subject of confirmed allegations of regulatory violations associated with our products.

### Information

Ensuring that our products and services are safe before they come to market is just one part of our responsibility to customers. We also make certain that those customers have easy access to the information they want or need about those products and services.

Our PSR policy, together with our Environment and Sustainability policy, guides us in making accurate conformity and environmental information about our products and services available to stakeholders.

Questions, comments and information requests about Agilent product safety or regulatory compliance can be sent via our [webform](#).

### Did you know...

Agilent has supplied equipment for the Olympic Games since testing was introduced in 1972. The equipment has included gas and liquid chromatographs to detect hundreds of banned substances including diuretics, stimulants, steroids and biological drugs such as human growth hormones.

### Related content:

*In this report:*

[Hazardous materials – reducing and eliminating hazardous substances](#)

[Materials](#)

[Products and services](#)

[Compliance](#)

[Policies and position statements](#)

*Agilent.com*

[PSR policy](#) (PDF, 60Kb)

## Suppliers

**Agilent's relationships with suppliers are of strategic importance. We inform our suppliers, partners and contractors of our expectations, encouraging them to follow responsible management practices.**

Our Standards of Business Conduct clarifies the extension of our values to our suppliers. It states that we will not establish or maintain a business relationship with a supplier if we believe that its practices violate local laws or basic international principles relating to labor standards or environmental protection.

### **Supplier Code of Conduct**

In 2004 Agilent issued our first-ever Supplier Code of Conduct. This document informs suppliers of Agilent's environmental and social responsibility expectations, and requires them to adopt sound EHS management practices. The code incorporates eight International Labour Organization (ILO) Conventions that have been identified as being fundamental to the rights of human beings at work. In 2005 we will ask our company-wide strategic contract manufacturers to endorse this code of conduct.

### **Supplier risk evaluation**

Over the last 18 months, we implemented a supplier environmental and social responsibility risk evaluation program. This program involves supplier screening, in-depth evaluation, site surveys and corrective action, and will continue in 2005.

### **Supplier Diversity Program**

Supplier diversity is a fundamental business strategy. Through Supplier Diversity Business Development, Agilent enlarges its pool of good ideas and high-quality goods and services.

Agilent continues to meet key customer requirements by proactively sourcing products and services from Minority, Women, Disabled Veteran-owned Business Enterprises (MWDVBEs). As businesses continue to respond to changing demographics, Agilent's policy of sourcing and selling products through diverse companies is a corporate objective. During 2004, Agilent's Supplier Diversity Program maintained supplier outreach strategies and supplier development objectives.

Read more about our [supplier management](#).

### **Related content:**

*In this report*

[Supplier management – environmental and social responsibility](#)

*Agilent.com*

[Standards of Business Conduct](#) (PDF, 207 Kb)

[Agilent Supplier ESR Code of Conduct](#) (PDF, 77Kb)

*External websites*

[International Labour Organization](#)

## Financial performance

**We value our recognition by the investment community as both a market leader and a leader in social and environmental responsibility. Scandals in international corporations over the past several years have made the clear, complete disclosure of financial information more important than ever. Agilent's value of uncompromising integrity is key to our open and transparent disclosure of information. We encourage regular communication with investors and other stakeholders on our financial performance.**

This Environment and Social Responsibility Report is one element of our overall 2004 reporting strategy. For information about Agilent's corporate structure and financial performance please go to:

- [Notice of 2005 Annual Meeting and Proxy Statement](#)
- [2004 Annual Report to Stockholders](#)
- [2004 Report on Form 10-K](#)
- [Agilent's Corporate Report 2004.](#)

We have achieved solid results in 2004, generating consistent profits and positive cashflow throughout the year. In 2004 Agilent's orders rose 15% over 2003 to US\$7 billion, while revenue increased 19% to US\$7.2 billion. Adrian Dillon, Agilent's Chief Financial Officer, who was part of the team that led Agilent through the industry downturn in 2001-2003, comments, "Our financial results in 2004 were compelling. We achieved consistently strong profitability, we generated approximately \$660 million in cash flow from operations, and we did an excellent job managing assets. Agilent is in very good financial condition as we start fiscal year 2005."

For the fourth year in a row Agilent was chosen to be listed on the Dow Jones Sustainability World Index and the FTSE4Good (*Financial Times* Stock Exchange) Global and US Indices. Agilent also belongs to several other socially responsible indices including Storebrand Investments, Calvert Social Index and the Ethibel Sustainability Index.

[See our performance data.](#)

### **Related content:**

*In this report*

[Information for investors  
Disclosure](#)

## Our actions

### Climate change – global change, global action

Climate change is a major technical challenge in the 21st century. Agilent's greenhouse gas (GHG) emissions are only a very small part of the issue, but we are committed to doing our share by reducing them in our operations and providing products to customers that assist in measurement and control.

### Agilent Action and giving – taking action in the global community

Agilent's citizenship objective is to be an economic, intellectual and social asset to each nation and community where we do business. Being respected and welcome in communities where we operate is critical to our business success and community investment is a core part of our business strategy.

### Hazardous materials – reducing and eliminating hazardous substances

There has been a significant increase in the pressure to remove hazardous substances used in products both in our industry and across our value chain in recent years. Agilent has global efforts to track, manage and eliminate hazardous substances from its products.

### Supplier management – environmental and social responsibility

To build a foundation of expectations for our suppliers, in 2004 Agilent issued our first-ever Supplier Environmental and Social Responsibility Code of Conduct and over the past 18 months we have developed and implemented a Supplier Environmental and Social Responsibility Risk Evaluation process.

## Climate change – global change, global action

Reducing – or even stabilizing – the concentration of carbon dioxide (CO<sub>2</sub>) and other heat-trapping (greenhouse) gases in the atmosphere is a major technical challenge in the 21st century. Agilent’s greenhouse gas (GHG) emissions are only a very small part of the issue, but we are committed to doing our share to reduce them. We have opportunities to contribute to solutions through the design of our products and actions in our operations and supply chain.

### Agilent CO<sub>2</sub> emissions over the last 4 years (kilotons)

	2001	2002	2003	2004
Purchased electricity	359	345	332	308
Employee air travel	73	57	56	52

### Did you know...

In August 2004, Agilent's Santa Clara, California site joined the Sustainable Silicon Valley program, which has pledged to reduce CO<sub>2</sub> emissions in the Silicon Valley region by 20% by 2010, using 1990 as a base year.

## Climate change toolbox

### Operations and processes

#### *Source/type of emissions*

- CO<sub>2</sub> emissions from utilities that generate the electricity we buy (the largest portion of our GHG emissions)
- CO<sub>2</sub> emissions from direct use of natural gas and other energy sources
- Emissions of GHG such as perfluorocompounds (PFCs) from our manufacturing

#### *Agilent actions to reduce*

- Reduce energy use
- Calculate and track CO<sub>2</sub> emissions
- Reduce PFC emissions from semiconductor operations
- Use renewable energy
- Engineer process improvements and evaluate abatement technologies

### Products

#### *Source/type of emissions*

- Our higher-sales-volume products are not major energy consumers, but many use electricity, resulting in indirect CO<sub>2</sub> emissions

#### *Agilent actions to reduce*

- Design for environment
- Developing and marketing energy-efficient products, e.g. light sensors used to reduce battery use in LCD display or lighting solutions that provide energy savings of up to 80%
- Recovery and remanufacturing of used products
- Providing testing equipment customers can use to measure a variety of air pollutants

### Supply chain

#### *Source/type of emissions*

- GHG emissions from Agilent suppliers
- GHG emissions from suppliers to Agilent suppliers, etc
- GHG emissions from new product creation

#### *Agilent actions to reduce*

- Supplier cooperation
- Industry cooperation on PFC reduction
- Supplier Environmental and Social Responsibility Code of Conduct
- Recovering and reselling products

### Business activities

#### *Source/type of emissions*

- CO<sub>2</sub> emissions from fuel used to transport materials, parts and finished products
- CO<sub>2</sub> emissions resulting from employee travel and commuting

#### *Agilent actions to reduce*

- Tracking, reporting and reducing employee travel



## Addressing energy use

Reducing our energy use has many benefits: it lowers operating costs, insulates us from rising energy prices and cuts our GHG emissions. For several years, we have set energy use reduction goals. To emphasize our focus on GHG reduction, in 2004, we converted our energy goal to a CO<sub>2</sub> reduction goal.

We have reduced CO<sub>2</sub> emissions associated with energy use through a variety of means including:

- Our Palo Alto, California headquarters gets 6% of its energy from solar and wind
- The Santa Clara, California site is in the process of replacing old air conditioner chillers and pumps with new equipment that will save 775,000 kilowatt-hours per year
- Our Colorado Springs, Colorado site is upgrading insulation and replacing air conditioner chillers. The project is expected to cut electrical consumption for cooling by half
- Agilent Enterprise Hosting Services is reducing the number of servers used (and associated energy use) by installing lower-cost, better-performing and less resource-intensive equipment.

### Providing energy-efficient solutions

Like Agilent, many of our customers (and their customers) are seeking to save energy, costs and GHG emissions. We have opportunities to help meet these needs. For example, Agilent developed a new ambient light photo sensor that cuts the significant amount of battery power needed for LCD displays in cell phones and other consumer electronics.

### Did you know...

Agilent's Santa Clara, California facility was the first corporate sponsor of Silicon Valley Power's Neighborhood Solar Program, which installs solar photovoltaic systems to help power schools and non-profit organizations.

### Related content:

*In this report*

[Energy](#)

[Air emissions](#)

## Reducing PFCs

In concert with other leading companies in the semiconductor industry, Agilent has pledged to reduce the emissions of PFCs from its Semiconductor Products Group Business. PFCs have high global warming potential – thousands of times more than CO<sub>2</sub> on a pound-for-pound basis. Thus, although they are released in minute quantities compared to CO<sub>2</sub>, PFCs are powerful GHGs.

Starting in January 2000, Agilent joined in a Memorandum of Understanding (MOU) with the United States Environmental Protection Agency (EPA) committing the more than 20 signatory companies to track and attempt to reduce their emissions of the seven most common PFC gases used in semiconductor manufacturing. Agilent's PFC emissions comprise a very small percentage of the total reported to the EPA. However, we remain committed to reducing our emissions.

We are also participating in The World Semiconductor Council's (WSC) emission reduction goals for the industry. The current WSC goal is to return to 10% below 1995 emission levels by 2010. According to the EPA, compared to the growth in semiconductor use projected under a business-as-usual scenario, the difference will equate to removing eight million cars from the road.

Agilent's semiconductor business continues to develop new electronic components, many of which contribute to products with greater energy efficiency. However, manufacture of these components often depends on the use of GHGs as does all semiconductor manufacturing.

We are reducing PFC use by implementing process changes to increase the efficiency of PFC use in our manufacturing processes, substituting other substances with less or no global warming potential and using abatement. We also communicate our position on PFC reduction to Agilent's contract manufacturers and encourage them to adopt PFC emissions reduction programs.

### Related content:

*In this report*  
[Air emissions](#)

## Collaborating across our supply chain

Recovering and reselling products generally requires only a fraction of the energy used to make a new product. We have developed innovative approaches – including partnering with eBay – to offer our customers reliable used equipment, helping to build the market for remanufactured and refurbished equipment.

### Related content:

*In this report*

[Hazardous materials – reducing and eliminating hazardous substances](#)

## **Agilent Action and giving – taking action in the global community**

**Agilent is a global company in an increasingly interconnected world. For our company to thrive, we must attract and retain top technical and managerial talent, contribute positively to local and national economies, be a respected and welcomed citizen in the communities where we operate and protect the environment. These aspirations are summed up in our citizenship objective to be an economic, intellectual and social asset to each nation and community where we do business.**

### **Agilent Action around the world**

- Colorado Springs, Colorado – Alternative transport demo
- Paris, France – Orsay School water testing
- Beijing, China – Deer Park clean-up
- Mexico City, Mexico – Earth Day puppet show
- Boise, Idaho – Plant restoration
- Mumbai, India – Beach clean-up

### **Did you know...**

In Agilent's 2004 Employee Survey, 75% of employees responded positively about Agilent's citizenship commitment.

## Agilent Action toolbox

### Employee action

#### *Examples of this strategy*

- Support for volunteers (Agilent allows four hours of volunteer time per employee per month)
- Agilent Action Week
- Agilent AfterSchool

### Corporate giving

#### *Examples of this strategy*

- Local community donations
- University cash and equipment grants
- Cash grants to non-governmental partners working on education, diversity, environmental issues, and health and human service

### Sponsorships

#### *Examples of this strategy*

- International Science and Engineering Fair
- National Engineers Week

### Performance measurement

#### *Examples of this strategy*

- Employee survey
- Community surveys
- Opinion and business leader surveys
- Giving totals (cash, in-kind, number of employees volunteering, number of hours volunteered)

## **Employee action**

The most important resource we commit to our communities is our employees. We support employee involvement by offering them one hour per week, or up to four hours per month, of paid time off to volunteer for Agilent-sponsored or supported activities.

During 2004, we instituted our second Agilent Action Week. This year, it was timed to correspond with Earth Day. Some 1,700 Agilent volunteers at more than 50 locations around the world came together during Action Week to improve the environment in their communities.

In Burnaby, British Columbia, Canada, Agilent employees painted storm drains throughout the area with fish-shaped stencils to educate the public to the dangers of pollution caused by litter, lawn pesticides, etc.

Another major employee involvement program is the Agilent AfterSchool program, which places Agilent volunteers in after school settings to provide a hands-on science experience for children 9 to 13 years old.

As the program evolves, we are seeking to target girls, at-risk students and other groups that are often under-represented in science education and the technology industry. 1,200 employees participated in 2004, reaching 24,000 students.

### **Did you know...**

In 2004:

1,700 Agilent volunteers at more than 50 locations around the world improved their local environment during Action Week

1,200 Agilent employees participated in Agilent AfterSchool, reaching 24,000 students

Agilent was a major sponsor of the Intel International Science and Engineering Fair

## **Corporate support**

During 2004, Agilent provided support of US\$5.2 million to programs worldwide. Our giving priorities include education and healthy communities. Examples of our support include the following:

- Agilent is a major sponsor of the Intel International Science and Engineering Fair (ISEF). Referred to as the "Olympics of Science Fairs", ISEF is the world's largest pre-college science fair
- Agilent has provided a grant to The Nature Conservancy, a worldwide environmental conservation organization, to help address the ecological and health risks associated with fuel wood use for cooking and heating in Shangri-La County in Yunnan Province, China. The grant provides technology and alternative energy units that range from energy-efficient stoves and solar heaters to micro-hydropower generators
- Agilent is a corporate contributor to National Engineers Week (NEW) and a major sponsor of the Introduce a Girl to Engineering program. NEW, celebrated annually, is an organized approach to increasing student interest in science, math, technology and engineering.

## Performance measurement

Community involvement and philanthropy are sometimes thought of as “soft” aspects of a business. Their value is recognized but not always measured. We believe it is important to measure the impacts of our investments on the environmental and social issues we’re tackling – and on our business. We are exploring ways to measure the effect of our major grants.

To assess and set a baseline for our reputation as a community member and global company, in 2004 we commissioned a survey of our reputation in two communities where we have facilities and, more broadly, among business and opinion leaders in the United States, China, Singapore and Korea.

The community study was very useful in identifying strengths in our community engagement as well as areas where we can improve. The survey of business and opinion leaders also identified some important differences between the countries. Stakeholders believe – and we agree – that Agilent can make a positive contribution through developing new products that address societal problems and through community involvement. We are building this feedback into our strategic planning going forward.



## Hazardous materials – reducing and eliminating hazardous substances

Over the past several years, Agilent has launched a global effort to track, manage and, in many cases, eliminate hazardous substances from its products. Spurred by customer interest and global regulatory changes, the effort includes systematic cooperation across our value chain to remove hazardous substances used in our products.

Several factors are driving this change. In 2003, the EU issued two directives affecting the electronics industry. One, the Restriction of Hazardous Substances (RoHS) Directive, bans the use of heavy metals and two classes of brominated fire retardants in electrical and electronic products.

The second, the Waste Electrical and Electronic Equipment (WEEE) Directive, holds manufacturers responsible for ensuring that systems exist to collect and manage electrical and electronic products at the end of their useful lives through recycling and environmentally sound disposal.

We have worked across our value chain to define needs and solutions for reducing and eliminating hazardous substances. Many of our products are exempt from the EU directives or subject to extended deadlines. We surveyed our customers, however, and learned that many of them prefer to purchase products free of the EU-identified hazardous substances.

### Did you know...

During 2004, we took several steps to strengthen our eco-design programs. We updated our Design for the Environment (DfE) guidelines and created DfE training. The training is important for the individuals responsible for issuing the quality sign-off and ensuring that environmental goals set for each product have been met prior to its release to the market.

### Related content:

*In this report*

[Product responsibility](#)  
[Products and services](#)

*Agilent.com*

[PSR policy](#) (PDF, 60Kb)

## Hazardous materials toolbox

Our products, such as our analytical and test equipment, also contribute to identifying and addressing hazardous substances that have entered the environment. Our areas of impact and related initiatives are shown in the “toolbox” below.

### Hazardous substance elimination

#### *Agilent initiatives / tools*

- General Specification for the Environment
- Tracking and reporting systems
- Lead-free initiative

### Eco-design

#### *Agilent initiatives / tools*

- Design for Environment manual and training
- Product stewards

### Products used in hazardous substance identification

#### *Agilent initiatives / tools*

- Innovative equipment for testing and analyzing hazardous substances in products and the environment
- For more information go to [Environmental Products](#)

### End of life

#### *Agilent initiatives / tools*

- Agilent CertiPrime
- [Agilent Advantage Assurance](#)
- Take-back

## **Hazardous substance elimination**

Where technically feasible, Agilent has proactively eliminated hazardous and environmentally problematic substances from its products. For example, in the early 1990s, we focused on phasing out the use of polybrominated diphenyl ethers (PBDEs), a class of toxic chemicals used as flame retardants found in thousands of consumer products.

### **Lead-free initiative**

Lead is used widely in electronics for applications ranging from solder to finishes for printed circuit boards. In cooperation with the National Electronics Manufacturing Initiative, we have identified acceptable lead-free component finishes. We have made substantial progress in eliminating lead from our products.

### **Tracking and reporting**

Our direct materials suppliers are subject to our General Specification for the Environment (GSE), which spells out the substances that must be avoided entirely or restricted to particular uses. Given the complexity of our supply web, however, a major challenge has been establishing the tracking and reporting systems to enable us to document the use (or absence) of hazardous substances in our products.

We have helped lead an effort by the Electronic Industries Alliance to develop a joint industry guide and voluntary standard addressing hazardous substance reporting. This guide has helped establish a consistent system for reporting within our supply chain.

Internally, we have developed the Agilent Restricted Materials database that tracks restricted substances in our purchased materials. We developed a complementary system, PLANet, which takes information about the substances present in parts and components and aggregates it to provide product-level information analogous to a nutrition label on food packaging.

## Products in use

Societies around the world face challenges in identifying and remediating hazardous substances that have found their way into the environment. Agilent's testing and analysis equipment is playing a role in this important process. For example, in mid-2004, Agilent announced the availability of a highly sensitive method for analyzing PBDEs (see [Hazardous substance elimination](#)).

To help make identification of pesticide residues and other compounds faster and more accurate, Agilent has developed a comprehensive screening tool that speeds, simplifies and automates the process.

Also in 2004, Agilent introduced a new system for analyzing trace metals that is up to five times more sensitive than its predecessor. The new system can measure both trace metals in the parts per trillion level and major elements in the parts per thousand level in a wide range of difficult samples, from wastewater to foods to biological specimens.

## **End of life**

Agilent does have an official program that lets Electronic Products and Solutions Group and Communications Solutions Group customers trade in their used products for credit towards new products (see <http://www.agilent.com/find/trade> for details of our Trade-up, Trade-in and Sell-off programs).

Increasingly, we are looking at our products from a lifecycle perspective. Beginning in 2004, our customers have been offered multiple options to purchase high-quality, pre-owned Agilent test instruments. Through the Agilent CertiPrime program, units are fully remanufactured by Agilent to our standards and include the latest compatible software and firmware updates. Through the Agilent Advantage Assurance program, customers can now purchase pre-owned instruments that are guaranteed to perform to original specifications from authorized resellers.

## **Looking ahead**

Eliminating hazardous substances from our products will take time. Cooperation within our industry and across our value chain will enable the steps required to substitute more environmentally friendly materials while maintaining the quality our customers need. Establishing robust systems for tracking and reporting the use of hazardous substances will play an important role in supporting this cooperation and in pointing to opportunities for eco-design.

## Supplier management – environmental and social responsibility

**Businesses increasingly recognize the interdependence of their environmental and social profiles with those of their suppliers. Suppliers and customers that have high standards and seek value from their social and environmental commitments often benefit from collaborating to address issues and develop new products.**

The common term “supply chain” may be a misnomer for Agilent. Given the nature of the high-tech industry and the diversity of our business groups, we find our suppliers are frequently our customers. Our customers may also be our suppliers. In addition, Agilent's five business groups often supply each other. Thus, our relationships are better described as a “supply web”.

To establish quality, environmental and social standards, we have built a foundation of expectations for our suppliers. Over the past 18 months, we have focused on environmental, health and safety (EHS) and social areas with our suppliers by adopting a Supplier Environmental and Social Responsibility Code of Conduct and developing and implementing a Supplier Environmental and Social Responsibility Risk Evaluation process. We are also working closely with key indirect suppliers (suppliers of services) to align our policies and practices.

### **Related content:**

*In this report*

[Suppliers](#)

[Supplier ESR Code of Conduct](#)

*Agilent.com*

[General Specification on the Environment](#) (PDF, 117Kb)

## Environmental and Social Responsibility Code of Conduct

To confirm our commitments, and to clarify our expectations, we developed the Agilent Technologies Supplier Environmental and Social Responsibility (ESR) Code of Conduct. To help ensure that the principles within our Code of Conduct are understood globally, we incorporate eight International Labour Organization (ILO) Conventions that have been identified as fundamental to the rights of human beings at work.

The Code reiterates Agilent's expectation that suppliers will comply with applicable EHS and labor laws, rules and regulations. It states that suppliers will have an EHS management system that conforms to ISO 14001 and OHSAS 18001. It also addresses:

- Not using child, forced or compulsory labor
- Freedom of association
- Non-discrimination.

Finally, it asks Agilent's suppliers to encourage adherence to similar principles with their own suppliers.

### Related content:

*Agilent.com*

[Agilent Supplier ESR Code of Conduct](#) (PDF, 77Kb)



## Supplier Environmental and Social Responsibility Risk Evaluation process

We regularly evaluate strategic suppliers using a supplier performance measurement process. Suppliers are selected for this review based on supply assurance risks, amount of business and recommendations of the Agilent business procurement organizations. Beginning in 2003, Agilent implemented a new process to identify, assess and manage potential EHS and social responsibility risks from our direct suppliers.

### Screening our supply base

Our first challenge was devising a screening process to set priorities among our thousands of direct suppliers. We set up four screens:

1. Chemical-intensive or labor-intensive operations
2. Agilent orders worth at least US\$50,000 per quarter for these commodities
3. Suppliers located in countries where EHS and labor laws are not robust or strictly enforced
4. In-depth evaluation to determine whether the supplier is certified to ISO 14001 and whether a supplier performance measurement review has been conducted.

From this evaluation, suppliers were identified for an EHS and Social Responsibility Site Survey to obtain first-hand information. We also added company-wide strategic contract manufacturers to the list of suppliers recommended for a site survey. A total of 26 site surveys were conducted in 2004.

### Conducting evaluations and site surveys

We began conducting site surveys in March 2004. The on-site visits used a questionnaire and an independent third party that performs on-site visits to gather information on:

- EHS Management Systems and Social Accountability
- Emergency Preparedness and Response, Fire and Electrical Safety
- EHS Programs
- Labor
- Adherence to Agilent's General Specification for the Environment.

Following the surveys, we provided the suppliers with a summary of our findings and recommended corrective actions. In 2004, we required corrective actions – a plan and schedule for addressing the issues identified – from about two-thirds of the suppliers surveyed. All suppliers requiring corrective action plans in 2004 responded.

### Survey findings and follow-up

We are finding that most of the areas needing corrective action are in traditional EHS program areas (e.g. emergency egress, chemical and/or hazardous waste storage, safety programs and personal protection equipment training).

In cases where the required corrective actions are significant and Agilent is a large customer, we are conducting follow-up site surveys.

We are receiving a positive response from the surveyed suppliers regarding this process.

## **Cooperation with key indirect suppliers**

Agilent's indirect (non-production) suppliers provide services like facility management and waste management that can pose potential EHS and social risks. We establish EHS requirements for suppliers in these areas through our contracts with them.

In 2002 we contracted with Johnson Controls, Inc. to manage our facilities operations worldwide. This approach centralizes accountability for the environmental and social performance of facility-related services and allows Agilent to focus on its core priorities. Johnson Controls, which is ISO 14001 and OHSAS 18001 compliant, shares our commitment to environmental and social excellence and diverse supplier subcontracting.

As part of our 2005 waste objective, we are also working closely with our supplier of copying services to explore innovative ways to improve efficiency and reduce the use of paper and other resources.

## **Looking ahead**

We will complete the site surveys and follow-up site surveys from our initial Environmental and Social Responsibility Risk Evaluations and will continue to conduct the screening evaluations, site surveys and supplier corrective actions in the future as our supply base evolves. In 2005, another priority is raising awareness internally of our recently adopted Supplier Environmental and Social Responsibility Code of Conduct.

## Appendix I – Performance data

### Environmental performance

#### Air emissions

##### Air emissions reported to government (metric tons)

Calendar year	2002	2003	2004
Asia Pacific	7	0	0 <sup>1</sup>
Europe	0	0	0 <sup>1</sup>
USA	13	36	42 <sup>2,3</sup>
TOTAL	20	36	42

##### Purchased electricity and natural gas and fuel oil consumption (kilotons CO<sub>2</sub>)

Fiscal year	2002	2003	2004
Purchased electricity and natural gas and fuel oil consumption – CO <sub>2</sub>	345	332	308

##### Employee air travel (million miles)

Fiscal year	2002	2003	2004
Employee air travel	244.2	240.0	231.7

##### Employee air travel (kilotons CO<sub>2</sub>)<sup>4</sup>

Fiscal year	2002	2003	2004
Employee air travel – CO <sub>2</sub>	57	56	52

<sup>1</sup> In 2003 there were no significant emissions reported from Agilent's sites in Asia Pacific or Europe.

<sup>2</sup> Includes data for an Agilent joint venture at the San Jose, California site.

<sup>3</sup> In 2003 at the majority of Agilent's sites in the USA, we have expanded the definition of "air emissions reported to government" to include emissions estimates based on chemical usage reported to local government agencies. This change significantly increased our USA emissions number from 2002 to 2003.

<sup>4</sup> The conversion factor used to calculate this data for 2004 is 0.140kg CO<sub>2</sub> per passenger kilometer. Our distance data is a mix of short- and long-haul airline trips, so the conversion factor used is an average of those recommended by the March 2003 GHG Protocol Initiative tools.

**Employee fleet travel (USA only) (million miles)<sup>1</sup>**

<b>Fiscal year</b>	<b>2003</b>	<b>2004</b>
For business	18.7	15.7
For personal	6.5	3.6
<b>TOTAL</b>	<b>25.2</b>	<b>19.2</b>

**Employee fleet travel (USA only) (kilotons CO<sub>2</sub>)<sup>2</sup>**

<b>Fiscal year</b>	<b>2003</b>	<b>2004</b>
For business	8.2	7.4
For personal	2.9	1.7
<b>TOTAL</b>	<b>11.1</b>	<b>9.1</b>

<sup>1</sup> These numbers are for Agilent's USA fleet vehicles only. They do not include mileage from pool, group and asset vehicles worldwide, Agilent's fleet vehicles outside the USA, or miles driven by employees to and from work. It is not possible for Agilent to track asset mileage.

<sup>2</sup> The conversion factor used to calculate emissions for 2004 is 0.4746kg CO<sub>2</sub>/mile. This factor is based on the June 2003 GHG Protocol Initiative tools and is for large gas autos (19 mpg).

## Energy

### Worldwide

#### Integrated data – energy per net revenue (1,000 gigajoules/100 million US\$)

Fiscal year	2002	2003	2004
Total energy / net revenue	48	43	34
Total electricity / net revenue	34	31	25

#### Integrated data – CO<sub>2</sub> emissions (kg/100 US\$)

Fiscal year	2002	2003	2004
CO <sub>2</sub> emissions from energy / net revenue	5.74	5.48	4.29

#### Integrated data – energy per square foot (kwh/sqft)

Fiscal year	2002	2003	2004
Total energy / square foot	57.3	56.1	61.6

1 kilowatt hour =  $3.6 \times 10^{-3}$  gigajoules

#### Discussion of integrated indicators

The energy and CO<sub>2</sub> to net revenue ratios have declined over the last three years. This decline is due to energy usage and CO<sub>2</sub> emissions decreases of approximately 16% and 11% respectively while net revenue has increased nearly 20%.

Although Agilent's total energy usage has declined over the last year, our total square footage has seen an even greater decline as we have consolidated operations. Therefore, this ratio has increased as we are using the remaining space more efficiently. Note: this data was mislabeled in past years as "total electricity per square foot". The numbers represent total energy.

**Energy consumption worldwide (1,000 gigajoules)**

<b>Fiscal year</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>
Total electricity consumption	2053	1913	1802
(percentage renewable <sup>1</sup> )	19%	16%	15%
Total natural gas/fuel oil consumption	809	699	607
<b>TOTAL</b>	<b>2862</b>	<b>2612</b>	<b>2409</b>

**Regional breakdown**

**Asia Pacific (1,000 gigajoules)**

<b>Fiscal year</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>
Total electricity consumption	556	556	569
(percentage renewable <sup>1</sup> )	1%	13%	11%
Total natural gas/fuel oil consumption	23	25	24
Total energy consumption	579	582	594

**Europe (1,000 gigajoules)**

<b>Fiscal year</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>
Total electricity consumption	214	189	142
(percentage renewable <sup>1</sup> )	3%	2%	5%
Total natural gas/fuel oil consumption	83	57	54
Total energy consumption	297	246	196

**USA (1,000 gigajoules)**

<b>Fiscal year</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>
Total electricity consumption	1283	1167	1090
(percentage renewable <sup>1</sup> )	30%	19%	19%
Total natural gas/fuel oil consumption	703	617	529
Total energy consumption	1985	1784	1619

1 kilowatt hour =  $3.6 \times 10^{-3}$  gigajoules

<sup>1</sup> Percentage renewable = renewable electricity/total electricity use

## Asia Pacific

### Asia Pacific – individual sites (1,000 gigajoules)

Fiscal year 2004	Total electricity consumption	(percentage renewable <sup>1</sup> )	Total natural gas/fuel oil consumption	Total energy consumption
Hachioji, Japan	54.9	7%	13.5	68.4
Kobe, Japan	18.5	10%	9.9	28.4
Shanghai, China	9.3	21%	1.0	10.3
Penang, Malaysia	294.9	18%	0.0	294.9
Singapore <sup>2</sup>	191.8	0%	0.0	191.8
TOTAL	569.4	11%	24.4	594.1

## Europe

### Europe – individual sites (1,000 gigajoules)

Fiscal year 2004	Total electricity consumption	(percentage renewable <sup>1</sup> )	Total natural gas/fuel oil consumption	Total energy consumption
Boeblingen, Germany	73.3	7%	19.5	92.8
Waldbronn, Germany	19.8	7%	9.3	29.1
South Queensferry, UK	48.9	0%	25.1 <sup>3</sup>	74.0
TOTAL	142.1	5%	53.9	196.1

1 kilowatt hour = 3.6 x 10<sup>-3</sup> gigajoules

<sup>1</sup> Percentage renewable = renewable electricity/total electricity use

<sup>2</sup> Represents multiple sites

<sup>3</sup> Natural gas and fuel oil consumption increased due to an increase in set points by a new facilities contractor. The error was identified and the set points were readjusted



**USA**

**USA – individual sites (1,000 gigajoules)**

<b>Fiscal year 2004</b>	Total electricity consumption	(percentage renewable <sup>1</sup> )	Total natural gas/fuel oil consumption	Total energy consumption
Colorado Springs, CO	129.5	10%	50.6 <sup>2</sup>	180.1
Fort Collins, CO	284.2	30%	201.3	485.5
Loveland, CO	88.0	20%	30.6 <sup>3</sup>	118.6
Little Falls, DE	47.3	2%	6.4	53.7
Newport, DE	10.7	2%	10.8	21.5
Santa Rosa, CA	139.4	13%	52.1 <sup>4</sup>	191.5
Rohnert Park, CA	59.8	13%	22.8 <sup>4</sup>	82.7
San Jose, CA	156.4	13%	63.8	220.2
Folsom, CA	8.0 <sup>5</sup>	9%	0.0	8.0
Agilent Labs, CA	70.8	11%	44.4	115.3
Santa Clara, CA	95.9	26%	46.3	142.2
<b>TOTAL</b>	<b>1090.1</b>	<b>19%</b>	<b>529.1</b>	<b>1619.1</b>

1 kilowatt hour = 3.6 x 10<sup>-3</sup> gigajoules

<sup>1</sup> Percentage renewable = renewable electricity/total electricity use

<sup>2</sup> Colorado Springs natural gas/fuel oil consumption was up 56% over 2003. This appears to be due to unusually low usage rates in 2003.

<sup>3</sup> Loveland natural gas/fuel oil consumption was down 50% from 2003. This is due to the sale of a building.

<sup>4</sup> The natural gas/fuel oil consumption for Santa Rosa and Rohnert Park (previously reported as Sonoma County) was down 22% from 2003. This is due to operations moving out of the Rohnert Park site.

<sup>5</sup> Folsom total electricity consumption was down 24% from 2003. The decrease is due to a data entry error and, possibly, inclusion of a nearby office site in the 2003 data.

## Materials

### Product packaging used (metric tons)

Fiscal year	2002	2003	2004
Wood	190	116	359
Steel	2	0	3
Plastics	104	49	200
Paper/card	502	735	1774
Glass	0	0	0
Composite	20	5	4
Aluminum	0	0	0
Other	2	0	2
<b>TOTAL</b>	<b>820</b>	<b>905</b>	<b>2342</b>

This data represents primary packaging for Agilent hardware, software and accessories. The data is compiled using material-specific information from our packaging suppliers for high-volume hardware plus product line averages for low-volume hardware, software and accessories. It does not include spare parts or secondary transport packaging. Secondary transport packaging (for example, pallets) is owned by the transport companies and is not quantified by Agilent.

In 2004, we continued to improve our data accuracy and to see a shift in product mix reflected in the packaging data. Our business improvement in 2004 meant an increase of capital equipment sales in the telecommunication and industrial market sectors. This change in sales mix resulted in an increased percentage of larger, heavier equipment that typically requires significantly more packaging. Thus our packaging numbers increased significantly from 2003 to 2004.

## Waste

### Worldwide

#### Integrated data – waste per net revenue (metric tons/100 million US\$)

Calendar year	2002	2003	2004
Total waste/net revenue	179	181	118
Total chemical waste/net revenue	13	15	14
Total solid waste/net revenue	166	166	104

#### Integrated data – waste per employees (metric tons/1000 employees, average)<sup>1</sup>

Calendar year	2002	2003	2004
Total waste/1000 employees	277	337	296
Total chemical waste/1000 employees	20	28	36
Total solid waste/1000 employees	258	309	261

#### Discussion of integrated indicators

Waste data is for calendar year, however, net revenue is for fiscal year. Therefore, the ratios do not illustrate a direct comparison. What they do illustrate are trends in waste produced versus net revenue. Total waste and solid waste decreased approximately 20% while net revenue increased approximately 20%. This led to significant decreases of these indicators (total waste and solid waste to net revenue). Chemical waste increased, so chemical waste per net revenue stayed relatively stable. Average number of employees decreased (but not as significantly as total or solid waste). Thus total and solid waste per employee declined while chemical waste per employee increased.

<sup>1</sup> 1000 employees, average = (number of employees at the beginning of a fiscal year + number of employees at the end of a fiscal year) / (2\*1000)

**Waste data worldwide (metric tons)**

<b>Calendar year</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>
Total waste produced <sup>1</sup>	10727	10955	8441 <sup>2</sup>
Total waste landfilled	3370	5148	1476 <sup>2</sup>
Total chemical waste <sup>3</sup>	755	906	1040
Chemical waste treated	53	63	134 <sup>4</sup>
Chemical waste incinerated	128	120	194 <sup>5</sup>
Chemical waste landfilled	81	89	129
Chemical waste recycled	493	634	583
Total solid waste <sup>6</sup>	9972	10049	7402 <sup>2</sup>
Solid waste incinerated	606	478	465
Solid waste landfilled	3289	5059	1347 <sup>2</sup>
Solid waste recycled	6077	4512	5590

**Regional breakdown**

**Asia Pacific (metric tons)**

<b>Calendar year</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>
Total waste produced <sup>1</sup>	2832	4931	2078 <sup>2</sup>
Total waste landfilled	1012	3680	49 <sup>2</sup>
Total chemical waste <sup>3</sup>	180	149	236 <sup>7</sup>
Chemical waste treated	16	23	54 <sup>7</sup>
Chemical waste incinerated	49	68	144 <sup>7</sup>
Chemical waste landfilled	71	18	1
Chemical waste recycled	44	39	37
Total solid waste <sup>6</sup>	2653	4782	1842 <sup>2</sup>
Solid waste incinerated	330	236	264
Solid waste landfilled	940	3662 <sup>8</sup>	48 <sup>2</sup>
Solid waste recycled	1382	884	1530

<sup>1</sup> Total waste produced is calculated by adding total chemical waste and total solid waste tonnage.

<sup>2</sup> The decrease in Agilent's total waste produced, total waste landfilled, total solid waste and solid waste landfilled is due to the change in definition of solid waste discussed in footnote 6. The change significantly lowered the numbers reported for our Penang, Malaysia site.

<sup>3</sup> Chemical waste refers to those chemical materials designated for final disposition that exhibit characteristics that are hazardous or dangerous per local regulatory requirements. This refers to materials that are shipped offsite for treatment, recycling, incineration and landfill. Excludes electronic waste. In 2004 we clarified the definition of chemical waste. This led to changes between 2003 and 2004 in the data reported at some sites.

<sup>4</sup> The increase in chemical waste treated was due to a one-time event at Agilent Laboratories, Palo Alto, California and an increase in the figure reported from the Singapore sites due to the clarified definition of chemical waste discussed in footnote 3.

<sup>5</sup> The increase in chemical waste incinerated was primarily due to an increase in the figure reported at our Singapore sites based upon the clarified definition of chemical waste discussed in footnote 3.

<sup>6</sup> Solid waste refers to waste that is not included in chemical waste or excess electronic equipment i.e., garbage/trash, paper, cardboard, glass, furniture, construction debris, etc. Excludes landscaping and cafeteria waste. In 2004 we changed the definition of solid waste to exclude cafeteria waste. In addition, we clarified the other components of the definition. The new definition led to significant changes from 2003 to 2004 in data reported by some sites.

<sup>7</sup> The increase in total chemical waste, chemical waste treated and chemical waste incinerated was due to an increase in the figure reported at our Singapore sites based upon the clarified definition of chemical waste discussed in footnote 3.

<sup>8</sup> In 2003, Agilent's site in Penang, Malaysia, estimated solid waste landfilled based on an average daily usage rate. This process changed from 2002 to 2003 and Agilent will continue to refine the process to increase data accuracy for 2004.

**Europe (metric tons)**

<b>Calendar year</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>
Total waste produced <sup>1</sup>	1984	1110	1473
Total waste landfilled	397	249	249
Total chemical waste <sup>2</sup>	29	21	23
Chemical waste treated	10	7	4
Chemical waste incinerated	13	2	1
Chemical waste landfilled	0	5	10
Chemical waste recycled	6	7	8
Total solid waste <sup>3</sup>	1955	1089	1450
Solid waste incinerated	122	164	201
Solid waste landfilled	397	244	239
Solid waste recycled	1436	681	1011

**USA (metric tons)**

<b>Calendar year</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>
Total waste produced <sup>1</sup>	5910	4915	4890
Total waste landfilled	1962	1219	1178
Total chemical waste <sup>2</sup>	546	737	781
Chemical waste treated	27	32	76 <sup>4</sup>
Chemical waste incinerated	66	50	49
Chemical waste landfilled	10	66	118 <sup>5</sup>
Chemical waste recycled	443	589	538
Total solid waste <sup>3</sup>	5364	4178	4109
Solid waste incinerated	154	78 <sup>6</sup>	0
Solid waste landfilled	1952	1153	1060
Solid waste recycled	3259	2947	3050

<sup>1</sup> Total waste produced is calculated by adding total chemical waste and total solid waste tonnage.

<sup>2</sup> Chemical waste refers to those chemical materials designated for final disposition that exhibit characteristics that are hazardous or dangerous per local regulatory requirements. This refers to materials that are shipped offsite for treatment, recycling, incineration and landfill. Excludes electronic waste. In 2004 we clarified the definition of chemical waste. This led to changes between 2003 and 2004 in the data reported at some sites.

<sup>3</sup> Solid waste refers to waste that is not included in chemical waste or excess electronic equipment i.e., garbage/trash, paper, cardboard, glass, furniture, construction debris, etc. Excludes landscaping and cafeteria waste. In 2004 we changed the definition of solid waste to exclude cafeteria waste. In addition, we clarified the other components of the definition. The new definition led to significant changes from 2003 to 2004 in data reported by some sites.

<sup>4</sup> The majority of the increase in chemical waste treated was due to a one-time event at Agilent Laboratories, Palo Alto, California.

<sup>5</sup> The majority of the increase in chemical waste landfilled is due to increased production at our San Jose, California facility.

<sup>6</sup> The 2003 figure was due to a one-time event of moving a manufacturing facility.

**Asia Pacific**

**Individual sites**

Calendar year 2004	Hachioji, Japan	Kobe, Japan	Shanghai, China	Penang, Malaysia <sup>1</sup>	Singapore <sup>2,3</sup>	TOTAL
Total waste produced <sup>4</sup>	437.0	79.0	32.0	677.0	853.0	2078.0
Total waste landfilled	0.0	0.0	18.0	7.0	24.0	49.0
Total chemical waste <sup>5</sup>	2.0	0.0	0.0	39.0	195.0	236.0
Chemical waste treated	1.0	0.0	0.0	0.0	53.0	54.0
Chemical waste incinerated	1.0	0.0	0.0	1.0	142.0	144.0
Chemical waste landfilled	0.0	0.0	0.0	1.0	0.0	1.0
Chemical waste recycled	0.0	0.0	0.0	37.0	0.0	37.0
Total solid waste <sup>6</sup>	435.0	79.0	32.0	638.0	658.0	1842.0
Solid waste incinerated	0.0	5.0	0.0	0.0	259.0	264.0
Solid waste landfilled	0.0	0.0	18.0	6.0	24.0	48.0
Solid waste recycled	435.0	74.0	14.0	632.0	375.0	1530.0

<sup>1</sup> The Penang solid waste data reported in 2004 decreased significantly from 2003. This is due to changes and clarifications in the solid waste definition (see footnote 6) and increased data accuracy (i.e. use of actual versus estimated data).

<sup>2</sup> Represents multiple sites.

<sup>3</sup> The Singapore waste data increased significantly in 2004. This was primarily due to the changes and clarifications of definitions discussed in footnotes 5 and 6, improved recycling activities and some non-Agilent activities at a leased site.

<sup>4</sup> Total waste produced is calculated by adding total chemical waste and total solid waste tonnage.

<sup>5</sup> Chemical waste refers to those chemical materials designated for final disposition that exhibit characteristics that are hazardous or dangerous per local regulatory requirements. This refers to materials that are shipped offsite for treatment, recycling, incineration and landfill. Excludes electronic waste. In 2004 we clarified the definition of chemical waste. This led to changes between 2003 and 2004 in the data reported at some sites.

<sup>6</sup> Solid waste refers to waste that is not included in chemical waste or excess electronic equipment i.e., garbage/trash, paper, cardboard, glass, furniture, construction debris, etc. Excludes landscaping and cafeteria waste. In 2004 we changed the definition of solid waste to exclude cafeteria waste. In addition, we clarified the other components of the definition. The new definition led to significant changes from 2003 to 2004 in data reported by some sites.

**Europe**

**Individual sites**

<b>Calendar year 2004</b>	<b>Boeblingen, Germany</b>	<b>Waldbronn, Germany</b>	<b>South Queensferry, UK</b>	<b>TOTAL</b>
Total waste produced <sup>1</sup>	641.0	236.0	596.4	1473.4
Total waste landfilled	10.0	0.0	238.9	248.9
Total chemical waste <sup>2</sup>	13.0 <sup>3</sup>	9.0	1.0	23.0
Chemical waste treated	1.0	3.0	-	4.0
Chemical waste incinerated	0.0	0.0	0.8	0.8
Chemical waste landfilled	10.0	0.0	-	10.0
Chemical waste recycled	2.0	6.0	0.2	8.2
Total solid waste <sup>4</sup>	628.0	227.0	595.4	1450.4
Solid waste incinerated	130.0	71.0 <sup>5</sup>	0.0	201.0
Solid waste landfilled	0.0	0.0	238.9	238.9
Solid waste recycled	498.0	156.0	356.5 <sup>6</sup>	1010.5

- = not available

<sup>1</sup> Total waste produced is calculated by adding total chemical waste and total solid waste tonnage.

<sup>2</sup> Chemical waste refers to those chemical materials designated for final disposition that exhibit characteristics that are hazardous or dangerous per local regulatory requirements. This refers to materials that are shipped offsite for treatment, recycling, incineration and landfill. Excludes electronic waste. In 2004 we clarified the definition of chemical waste. This led to changes between 2003 and 2004 in the data reported at some sites.

<sup>3</sup> Boeblingen chemical waste is measured when shipped. Due to an infrequent shipping schedule numbers vary from year to year depending on when shipping occurs.

<sup>4</sup> Solid waste refers to waste that is not included in chemical waste or excess electronic equipment i.e., garbage/trash, paper, cardboard, glass, furniture, construction debris, etc. Excludes landscaping and cafeteria waste. In 2004 we changed the definition of solid waste to exclude cafeteria waste. In addition, we clarified the other components of the definition. The new definition led to significant changes from 2003 to 2004 in data reported by some sites.

<sup>5</sup> Waldbronn solid waste incinerated increased in 2004 due to remodeling and building at the site.

<sup>6</sup> South Queensferry solid waste recycled increased in 2004 due to building closures.

**USA**

**Colorado – individual sites**

<b>Calendar year 2004</b>	<b>Colorado Springs</b>	<b>Fort Collins</b>	<b>Loveland</b>	<b>TOTAL</b>
Total waste produced <sup>1</sup>	550.9	415.9	698.0	1664.8
Total waste landfilled	128.9	77.1	111.0	317.0
Total chemical waste <sup>2</sup>	8.4	156.9	15.0	180.3
Chemical waste treated	0.0	0.0	0.0	0.0
Chemical waste incinerated	1.3	1.8	3.0	6.1
Chemical waste landfilled	0.1	1.1	10.0	11.2
Chemical waste recycled	7.0	154.0	2.0	163.0
Total solid waste <sup>3</sup>	542.5	259.0	683.0	1484.5
Solid waste incinerated	0.0	0.0	0.0	0.0
Solid waste landfilled	128.8	76.0	101.0	305.8
Solid waste recycled	413.7	183.0	582.0	1178.7

**Delaware – individual sites**

<b>Calendar year 2004</b>	<b>Little Falls</b>	<b>Newport</b>	<b>TOTAL</b>
Total waste produced <sup>1</sup>	362.9	451.6	814.5
Total waste landfilled	122.5	67.1	189.5
Total chemical waste <sup>2</sup>	3.6	67.1	70.7
Chemical waste treated	0.0	0.0	0.0
Chemical waste incinerated	0.9	10.7	11.6
Chemical waste landfilled	0.0	0.0	0.0
Chemical waste recycled	2.7 <sup>4</sup>	56.3	59.1
Total solid waste <sup>3</sup>	359.2	384.6	743.8
Solid waste incinerated	0.0	0.0	0.0
Solid waste landfilled	122.5	67.1	189.5
Solid waste recycled	236.8 <sup>5</sup>	317.5	554.3

<sup>1</sup> Total waste produced is calculated by adding total chemical waste and total solid waste tonnage.

<sup>2</sup> Chemical waste refers to those chemical materials designated for final disposition that exhibit characteristics that are hazardous or dangerous per local regulatory requirements. This refers to materials that are shipped offsite for treatment, recycling, incineration and landfill. Excludes electronic waste. In 2004 we clarified the definition of chemical waste. This led to changes between 2003 and 2004 in the data reported at some sites.

<sup>3</sup> Solid waste refers to waste that is not included in chemical waste or excess electronic equipment i.e., garbage/trash, paper, cardboard, glass, furniture, construction debris, etc. Excludes landscaping and cafeteria waste. In 2004 we changed the definition of solid waste to exclude cafeteria waste. In addition, we clarified the other components of the definition. The new definition led to significant changes from 2003 to 2004 in data reported by some sites.

<sup>4</sup> The decrease in Little Falls chemical waste recycled was due to the move of a manufacturing process to another site.

<sup>5</sup> The decrease in Little Falls solid waste recycled appears to be due to an unusually high quantity in 2003.



California – individual sites

Calendar year 2004	Santa Rosa	Rohnert Park	San Jose	Folsom	Agilent Labs	Santa Clara	TOTAL
Total waste produced <sup>1</sup>	827.6	428.9	386.3	27.0	202.0	538.9	2410.6
Total waste landfilled	142.6	86.9	238.4	7.0	45.0	151.5	671.4
Total chemical waste <sup>2</sup>	123.3	6.5	109.6	14.0	71.0 <sup>3</sup>	205.0	529.5
Chemical waste treated	17.6 <sup>4</sup>	0.0	0.0	0.0	58.0 <sup>3</sup>	0.0	75.6
Chemical waste incinerated	5.6	4.6	0.9	10.0	9.0	0.9	31.0
Chemical waste landfilled	2.8	0.1	104.2 <sup>5</sup>	0.0	0.0	0.0	107.1
Chemical waste recycled	97.3	1.8	4.5	4.0	4.0	204.1	315.8
Total solid waste <sup>6</sup>	704.3	422.3	276.6	13.0	131.0	333.8	1881.1
Solid waste incinerated	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Solid waste landfilled	139.8	86.8	134.2	7.0	45.0	151.5	564.3
Solid waste recycled	564.5 <sup>4</sup>	335.5 <sup>4</sup>	142.4	6.0	86.0	182.3	1316.8

<sup>1</sup> Total waste produced is calculated by adding total chemical waste and total solid waste tonnage.

<sup>2</sup> Chemical waste refers to those chemical materials designated for final disposition that exhibit characteristics that are hazardous or dangerous per local regulatory requirements. This refers to materials that are shipped offsite for treatment, recycling, incineration and landfill. Excludes electronic waste. In 2004 we clarified the definition of chemical waste. This led to changes between 2003 and 2004 in the data reported at some sites.

<sup>3</sup> Chemical waste treated increased from 2003 to 2004 at Agilent Laboratories due to a one-time event.

<sup>4</sup> Waste from the Santa Rosa and Rohnert Park facilities increased in 2004 due to a facility closure.

<sup>5</sup> Chemical waste landfilled increased at San Jose due to increased manufacturing.

<sup>6</sup> Solid waste refers to waste that is not included in chemical waste or excess electronic equipment i.e., garbage/trash, paper, cardboard, glass, furniture, construction debris, etc. Excludes landscaping and cafeteria waste. In 2004 we changed the definition of solid waste to exclude cafeteria waste. In addition, we clarified the other components of the definition. The new definition led to significant changes from 2003 to 2004 in data reported by some sites.

## Water

### Worldwide

#### Integrated data – water

Fiscal year	2002	2003	2004
Total water usage for operations/net revenue (1,000 cubic meters/100 million US\$)	59	47	37
Total water usage for operations/average number of employees (cubic meters/employee) <sup>1</sup>	92	88	93

#### Discussion of integrated indicators

Total water usage for operations decreased slightly from 2003 to 2004 while net revenue increased nearly 20%. These factors led to a significant decrease in the water usage to revenue ratio. The total water usage per employee ratio increased from 2003 to 2004, however, since the average number of employees decreased. This data reflects the fact that water usage generally correlates more directly with square footage and number of employees than with production.

#### Water consumption worldwide (1,000 cubic meters)

Fiscal year	2002	2003	2004
Total water use for operations	3563	2856	2671
Total water use for irrigation	498	197	221
Water recycled from operations	354	104	71 <sup>2</sup>
Total water use	4061	3053	2892
(percentage recycled <sup>3</sup> )	10%	4%	3%

<sup>1</sup> Average number of employees = (number of employees at the beginning of a fiscal year + number of employees at the end of the fiscal year)/2.

<sup>2</sup> Water recycled from operations went down approximately 30% from 2003 to 2004. This is due to a clarification of definitions of recycled water and acceptable measurement methods and thus a change in the Penang figure from 21 in 2003 to not available in 2004.

<sup>3</sup> Percentage recycled = water recycled from operations/total water use for operations

**Regional breakdown**

**Asia Pacific (1,000 cubic meters)**

<b>Fiscal year</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>
Total water use for operations	1008	864	841
Total water use for irrigation	3	1	-
Water recycled from operations	57	21	-
Total water use	1011	865	841
(percentage recycled <sup>1</sup> )	6%	2% <sup>2</sup>	-

**Europe (1,000 cubic meters)**

<b>Fiscal year</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>
Total water use for operations	169	108	85
Total water use for irrigation	1	0	-
Water recycled from operations	0	0	-
Total water use	170	108	85
(percentage recycled <sup>1</sup> )	0%	0%	-

**USA (1,000 cubic meters)**

<b>Fiscal year</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>
Total water use for operations	2386	1884	1745
Total water use for irrigation	494	196	221
Water recycled from operations	297	83	71
Total water use	2880	2080	1966
(percentage recycled <sup>1</sup> )	12%	4%	4%

- = not available

<sup>1</sup> Percentage recycled = water recycled from operations/total water use for operations

<sup>2</sup> Percentage recycled for 2003 was incorrectly stated as 0 in last year's report.

## Asia Pacific

### Asia Pacific – individual sites (1,000 cubic meters)

Fiscal year 2004	Total water use for operations	Total water use for irrigation	Water recycled from operations	Total water use
Hachioji, Japan	13	-	-	13
Kobe, Japan	24	-	-	24
Shanghai, China	11	-	-	11
Penang, Malaysia	578	-	- <sup>1</sup>	578
Singapore <sup>2</sup>	214	-	-	214
TOTAL	841	-	-	841

## Europe

### Europe – individual sites (1,000 cubic meters)

Fiscal year 2004	Total water use for operations	Total water use for irrigation	Water recycled from operations	Total water use
Boeblingen, Germany	43	-	-	43
Waldbronn, Germany	10	-	-	10
South Queensferry, UK	32	-	-	32
TOTAL	85	-	-	85

- = not available

<sup>1</sup> Water recycled from operations at the Penang site went from 21 in 2003 to not available in 2004. This is due to clarification of definitions of recycled water and acceptable measurement methods.

<sup>2</sup> Represents multiple sites

**USA**

**USA – individual sites (1,000 cubic meters)**

<b>Fiscal year 2004</b>	Total water use for operations	Total water use for irrigation	Water recycled from operations	Total water use
Colorado Springs, CO <sup>1</sup>	80	29	0 <sup>1</sup>	109
Loveland, CO <sup>2</sup>	47	-	-	47
Fort Collins, CO	912	-	-	912
Little Falls, DE <sup>3</sup>	9	-	-	9
Newport, DE <sup>4</sup>	-	-	-	-
Rohnert Park, CA	37	122	-	159
Santa Rosa, CA	186	28	71	214
San Jose, CA <sup>5</sup>	259	-	-	259
Folsom, CA <sup>6</sup>	-	-	-	-
Agilent Labs, CA	91	-	-	91
Santa Clara, CA <sup>7</sup>	124	41	-	165
<b>TOTAL</b>	<b>1745</b>	<b>221</b>	<b>71</b>	<b>1966</b>

- = not available

<sup>1</sup> Total water use for operations and for irrigation decreased approximately 25% at the Colorado Springs facility. The reasons for these changes are unclear. However, we are reviewing quarterly data to understand the trend.

<sup>2</sup> Water use for irrigation at Loveland declined from 31 in 2003 to 0 in 2004. This is due to the sale of a building.

<sup>3</sup> Little Falls water use data is for Q2–Q4 of fiscal year 2004. Q1 data was unavailable.

<sup>4</sup> Newport water data is unavailable as it is a leased site.

<sup>5</sup> Water use for operations at San Jose includes a joint venture at the site and is up more than 30% over 2003. This is due to increased production.

<sup>6</sup> Folsom water data is unavailable as it is a leased site.

<sup>7</sup> Water use for operations at Santa Clara is up approximately 27% over 2003. This is due to increased operations at the site. Water use for irrigation is 41 (it was not available in the past). This year the site implemented a process improvement to allow Agilent to track irrigation water at the site.

## Site breakdowns

### Americas

#### Folsom, CA

	2004
<b>Energy</b>	
Total electricity consumption (1,000 gigajoules)	8.0
(percentage renewable <sup>1</sup> )	9%
Total natural gas/fuel oil consumption (1,000 gigajoules)	0.0
Total energy consumption (1,000 gigajoules)	8.0
<b>Waste</b>	
Total waste produced (metric tons) <sup>2</sup>	27.0
Total waste landfilled (metric tons)	7.0
Total chemical waste (metric tons) <sup>3</sup>	14.0
Chemical waste treated (metric tons)	0.0
Chemical waste incinerated (metric tons)	10.0
Chemical waste landfilled (metric tons)	0.0
Chemical waste recycled (metric tons)	4.0
Total solid waste (metric tons) <sup>4</sup>	13.0
Solid waste incinerated (metric tons)	0.0
Solid waste landfilled (metric tons)	7.0
Solid waste recycled (metric tons)	6.0
<b>Water</b>	
Total water use for operations (1,000 cubic meters)	-
Total water use for irrigation (1,000 cubic meters)	-
Total water use (1,000 cubic meters)	-
Water recycled from operations (1,000 cubic meters)	-
(percentage recycled <sup>5</sup> )	-

Folsom total electricity consumption was down 24% from 2003. The decrease is due to a data entry error and, possibly, the inclusion of a nearby office site in the 2003 data.

Folsom water data is unavailable as it is a leased site.

Energy and water data is calendar year, waste is fiscal year.

- = not available

<sup>1</sup> Percentage renewable = renewable electricity/total electricity use

<sup>2</sup> Total waste produced is calculated by adding total chemical waste and total solid waste tonnage.

<sup>3</sup> Chemical waste refers to those chemical materials designated for final disposition that exhibit characteristics that are hazardous or dangerous per local regulatory requirements. This refers to materials that are shipped offsite for treatment, recycling, incineration and landfill. Excludes electronic waste. In 2004 we clarified the definition of chemical waste. This led to changes between 2003 and 2004 in the data reported at some sites.

<sup>4</sup> Solid waste refers to waste that is not included in chemical waste or excess electronic equipment i.e., garbage/trash, paper, cardboard, glass, furniture, construction debris, etc. Excludes landscaping and cafeteria waste. In 2004 we changed the definition of solid waste to exclude cafeteria waste. In addition, we clarified the other components of the definition. The new definition led to significant changes from 2003 to 2004 in data reported by some sites.

<sup>5</sup> Percentage recycled = water recycled from operations/total water use for operations

**Palo Alto (Agilent Laboratories), CA**

	<b>2004</b>
<b>Energy</b>	
Total electricity consumption (1,000 gigajoules)	70.8
(percentage renewable <sup>1</sup> )	11%
Total natural gas/fuel oil consumption (1,000 gigajoules)	44.4
Total energy consumption (1,000 gigajoules)	115.3
<b>Waste</b>	
Total waste produced (metric tons) <sup>2</sup>	202.0
Total waste landfilled (metric tons)	45.0
Total chemical waste (metric tons) <sup>3</sup>	71.0
Chemical waste treated (metric tons)	58.0
Chemical waste incinerated (metric tons)	9.0
Chemical waste landfilled (metric tons)	0.0
Chemical waste recycled (metric tons)	4.0
Total solid waste (metric tons) <sup>4</sup>	131.0
Solid waste incinerated (metric tons)	0.0
Solid waste landfilled (metric tons)	45.0
Solid waste recycled (metric tons)	86.0
<b>Water</b>	
Total water use for operations (1,000 cubic meters)	91
Total water use for irrigation (1,000 cubic meters)	-
Total water use (1,000 cubic meters)	91
Water recycled from operations (1,000 cubic meters)	-
(percentage recycled <sup>5</sup> )	-

The increase in chemical waste treated was due to a one-time event.

Energy and water data is calendar year, waste is fiscal year.

- = not available

<sup>1</sup> Percentage renewable = renewable electricity/total electricity use

<sup>2</sup> Total waste produced is calculated by adding total chemical waste and total solid waste tonnage.

<sup>3</sup> Chemical waste refers to those chemical materials designated for final disposition that exhibit characteristics that are hazardous or dangerous per local regulatory requirements. This refers to materials that are shipped offsite for treatment, recycling, incineration and landfill. Excludes electronic waste. In 2004 we clarified the definition of chemical waste. This led to changes between 2003 and 2004 in the data reported at some sites.

<sup>4</sup> Solid waste refers to waste that is not included in chemical waste or excess electronic equipment i.e., garbage/trash, paper, cardboard, glass, furniture, construction debris, etc. Excludes landscaping and cafeteria waste. In 2004 we changed the definition of solid waste to exclude cafeteria waste. In addition, we clarified the other components of the definition. The new definition led to significant changes from 2003 to 2004 in data reported by some sites.

<sup>5</sup> Percentage recycled = water recycled from operations/total water use for operations

**Rohnert Park, CA**

	<b>2004</b>
<b>Energy</b>	
Total electricity consumption (1,000 gigajoules)	59.8
(percentage renewable <sup>1</sup> )	13%
Total natural gas/fuel oil consumption (1,000 gigajoules)	22.8
Total energy consumption (1,000 gigajoules)	82.7
<b>Waste</b>	
Total waste produced (metric tons) <sup>2</sup>	428.9
Total waste landfilled (metric tons)	86.9
Total chemical waste (metric tons) <sup>3</sup>	6.5
Chemical waste treated (metric tons)	0.0
Chemical waste incinerated (metric tons)	4.6
Chemical waste landfilled (metric tons)	0.1
Chemical waste recycled (metric tons)	1.8
Total solid waste (metric tons) <sup>4</sup>	422.3
Solid waste incinerated (metric tons)	0.0
Solid waste landfilled (metric tons)	86.8
Solid waste recycled (metric tons)	335.5
<b>Water</b>	
Total water use for operations (1,000 cubic meters)	37
Total water use for irrigation (1,000 cubic meters)	122
Total water use (1,000 cubic meters)	159
Water recycled from operations (1,000 cubic meters)	-
(percentage recycled <sup>5</sup> )	-

The natural gas/fuel oil consumption for Santa Rosa and Rohnert Park (previously reported as Sonoma County) was down 22% from 2003. This is due to operations moving out of the Rohnert Park site.

Waste increased in 2004 due to a facility closure.

Energy and water data is calendar year, waste is fiscal year.

- = not available

<sup>1</sup> Percentage renewable = renewable electricity/total electricity use

<sup>2</sup> Total waste produced is calculated by adding total chemical waste and total solid waste tonnage.

<sup>3</sup> Chemical waste refers to those chemical materials designated for final disposition that exhibit characteristics that are hazardous or dangerous per local regulatory requirements. This refers to materials that are shipped offsite for treatment, recycling, incineration and landfill. Excludes electronic waste. In 2004 we clarified the definition of chemical waste. This led to changes between 2003 and 2004 in the data reported at some sites.

<sup>4</sup> Solid waste refers to waste that is not included in chemical waste or excess electronic equipment i.e., garbage/trash, paper, cardboard, glass, furniture, construction debris, etc. Excludes landscaping and cafeteria waste. In 2004 we changed the definition of solid waste to exclude cafeteria waste. In addition, we clarified the other components of the definition. The new definition led to significant changes from 2003 to 2004 in data reported by some sites.

<sup>5</sup> Percentage recycled = water recycled from operations/total water use for operations



**San Jose, CA**

	<b>2004</b>
<b>Energy</b>	
Total electricity consumption (1,000 gigajoules)	156.4
(percentage renewable <sup>1</sup> )	13%
Total natural gas/fuel oil consumption (1,000 gigajoules)	63.8
Total energy consumption (1,000 gigajoules)	220.2
<b>Waste</b>	
Total waste produced (metric tons) <sup>2</sup>	386.3
Total waste landfilled (metric tons)	238.4
Total chemical waste (metric tons) <sup>3</sup>	109.6
Chemical waste treated (metric tons)	0.0
Chemical waste incinerated (metric tons)	0.9
Chemical waste landfilled (metric tons)	104.2
Chemical waste recycled (metric tons)	4.5
Total solid waste (metric tons) <sup>4</sup>	276.6
Solid waste incinerated (metric tons)	0.0
Solid waste landfilled (metric tons)	134.2
Solid waste recycled (metric tons)	142.4
<b>Water</b>	
Total water use for operations (1,000 cubic meters)	259
Total water use for irrigation (1,000 cubic meters)	-
Total water use (1,000 cubic meters)	259
Water recycled from operations (1,000 cubic meters)	-
(percentage recycled <sup>5</sup> )	-

Chemical waste landfilled has increased due to increased production.

Water use for operations at San Jose includes a joint venture at the site and is up more than 30% over 2003. This is due to increased production.

Energy and water data is calendar year, waste is fiscal year.

- = not available

<sup>1</sup> Percentage renewable = renewable electricity/total electricity use

<sup>2</sup> Total waste produced is calculated by adding total chemical waste and total solid waste tonnage.

<sup>3</sup> Chemical waste refers to those chemical materials designated for final disposition that exhibit characteristics that are hazardous or dangerous per local regulatory requirements. This refers to materials that are shipped offsite for treatment, recycling, incineration and landfill. Excludes electronic waste. In 2004 we clarified the definition of chemical waste. This led to changes between 2003 and 2004 in the data reported at some sites.

<sup>4</sup> Solid waste refers to waste that is not included in chemical waste or excess electronic equipment i.e., garbage/trash, paper, cardboard, glass, furniture, construction debris, etc. Excludes landscaping and cafeteria waste. In 2004 we changed the definition of solid waste to exclude cafeteria waste. In addition, we clarified the other components of the definition. The new definition led to significant changes from 2003 to 2004 in data reported by some sites.

<sup>5</sup> Percentage recycled = water recycled from operations/total water use for operations

**Santa Clara, CA**

	<b>2004</b>
<b>Energy</b>	
Total electricity consumption (1,000 gigajoules)	95.9
(percentage renewable <sup>1</sup> )	26%
Total natural gas/fuel oil consumption (1,000 gigajoules)	46.3
Total energy consumption (1,000 gigajoules)	142.2
<b>Waste</b>	
Total waste produced (metric tons) <sup>2</sup>	538.9
Total waste landfilled (metric tons)	151.5
Total chemical waste (metric tons) <sup>3</sup>	205.0
Chemical waste treated (metric tons)	0.0
Chemical waste incinerated (metric tons)	0.9
Chemical waste landfilled (metric tons)	0.0
Chemical waste recycled (metric tons)	204.1
Total solid waste (metric tons) <sup>4</sup>	333.8
Solid waste incinerated (metric tons)	0.0
Solid waste landfilled (metric tons)	151.5
Solid waste recycled (metric tons)	182.3
<b>Water</b>	
Total water use for operations (1,000 cubic meters)	124
Total water use for irrigation (1,000 cubic meters)	41
Total water use (1,000 cubic meters)	165
Water recycled from operations (1,000 cubic meters)	-
(percentage recycled <sup>5</sup> )	-

Water use for operations is up approximately 27% over 2003. This is due to increased operations at the site. Water use for irrigation is 41 (it was not available in the past). This year the site implemented a process improvement to allow Agilent to track irrigation water at the site.

Energy and water data is calendar year, waste is fiscal year.

- = not available

<sup>1</sup> Percentage renewable = renewable electricity/total electricity use

<sup>2</sup> Total waste produced is calculated by adding total chemical waste and total solid waste tonnage.

<sup>3</sup> Chemical waste refers to those chemical materials designated for final disposition that exhibit characteristics that are hazardous or dangerous per local regulatory requirements. This refers to materials that are shipped offsite for treatment, recycling, incineration and landfill. Excludes electronic waste. In 2004 we clarified the definition of chemical waste. This led to changes between 2003 and 2004 in the data reported at some sites.

<sup>4</sup> Solid waste refers to waste that is not included in chemical waste or excess electronic equipment i.e., garbage/trash, paper, cardboard, glass, furniture, construction debris, etc. Excludes landscaping and cafeteria waste. In 2004 we changed the definition of solid waste to exclude cafeteria waste. In addition, we clarified the other components of the definition. The new definition led to significant changes from 2003 to 2004 in data reported by some sites.

<sup>5</sup> Percentage recycled = water recycled from operations/total water use for operations

**Santa Rosa, CA**

	<b>2004</b>
<b>Energy</b>	
Total electricity consumption (1,000 gigajoules)	139.4
(percentage renewable <sup>1</sup> )	13%
Total natural gas/fuel oil consumption (1,000 gigajoules)	52.1
Total energy consumption (1,000 gigajoules)	191.5
<b>Waste</b>	
Total waste produced (metric tons) <sup>2</sup>	827.6
Total waste landfilled (metric tons)	142.6
Total chemical waste (metric tons) <sup>3</sup>	123.3
Chemical waste treated (metric tons)	17.6
Chemical waste incinerated (metric tons)	5.6
Chemical waste landfilled (metric tons)	2.8
Chemical waste recycled (metric tons)	97.3
Total solid waste (metric tons) <sup>4</sup>	704.3
Solid waste incinerated (metric tons)	0.0
Solid waste landfilled (metric tons)	139.8
Solid waste recycled (metric tons)	564.5
<b>Water</b>	
Total water use for operations (1,000 cubic meters)	186
Total water use for irrigation (1,000 cubic meters)	28
Total water use (1,000 cubic meters)	214
Water recycled from operations (1,000 cubic meters)	71
(percentage recycled <sup>5</sup> )	38%

The natural gas/fuel oil consumption for Santa Rosa and Rohnert Park (previously reported as Sonoma County) was down 22% from 2003. This is due to operations moving out of the Rohnert Park site.

Waste increased in 2004 due to a facility closure.

Energy and water data is calendar year, waste is fiscal year.

<sup>1</sup> Percentage renewable = renewable electricity/total electricity use

<sup>2</sup> Total waste produced is calculated by adding total chemical waste and total solid waste tonnage.

<sup>3</sup> Chemical waste refers to those chemical materials designated for final disposition that exhibit characteristics that are hazardous or dangerous per local regulatory requirements. This refers to materials that are shipped offsite for treatment, recycling, incineration and landfill. Excludes electronic waste. In 2004 we clarified the definition of chemical waste. This led to changes between 2003 and 2004 in the data reported at some sites.

<sup>4</sup> Solid waste refers to waste that is not included in chemical waste or excess electronic equipment i.e., garbage/trash, paper, cardboard, glass, furniture, construction debris, etc. Excludes landscaping and cafeteria waste. In 2004 we changed the definition of solid waste to exclude cafeteria waste. In addition, we clarified the other components of the definition. The new definition led to significant changes from 2003 to 2004 in data reported by some sites.

<sup>5</sup> Percentage recycled = water recycled from operations/total water use for operations

**Colorado Springs, CO**

	<b>2004</b>
<b>Energy</b>	
Total electricity consumption (1,000 gigajoules)	129.5
(percentage renewable <sup>1</sup> )	10%
Total natural gas/fuel oil consumption (1,000 gigajoules)	50.6
Total energy consumption (1,000 gigajoules)	180.1
<b>Waste</b>	
Total waste produced (metric tons) <sup>2</sup>	550.9
Total waste landfilled (metric tons)	128.9
Total chemical waste (metric tons) <sup>3</sup>	8.4
Chemical waste treated (metric tons)	0.0
Chemical waste incinerated (metric tons)	1.3
Chemical waste landfilled (metric tons)	0.1
Chemical waste recycled (metric tons)	7.0
Total solid waste (metric tons) <sup>4</sup>	542.5
Solid waste incinerated (metric tons)	0.0
Solid waste landfilled (metric tons)	128.8
Solid waste recycled (metric tons)	413.7
<b>Water</b>	
Total water use for operations (1,000 cubic meters)	80
Total water use for irrigation (1,000 cubic meters)	29
Total water use (1,000 cubic meters)	109
Water recycled from operations (1,000 cubic meters)	0
(percentage recycled <sup>5</sup> )	0%

Colorado Springs natural gas/fuel oil consumption was up 56% over 2003. This appears to be due to unusually low usage rates in 2003.

Total water use for operations and for irrigation decreased approximately 25% at the Colorado Springs facility. The reasons for these changes are unclear. However, we are reviewing quarterly data to understand the trend.

Energy and water data is calendar year, waste is fiscal year.

<sup>1</sup> Percentage renewable = renewable electricity/total electricity use

<sup>2</sup> Total waste produced is calculated by adding total chemical waste and total solid waste tonnage.

<sup>3</sup> Chemical waste refers to those chemical materials designated for final disposition that exhibit characteristics that are hazardous or dangerous per local regulatory requirements. This refers to materials that are shipped offsite for treatment, recycling, incineration and landfill. Excludes electronic waste. In 2004 we clarified the definition of chemical waste. This led to changes between 2003 and 2004 in the data reported at some sites.

<sup>4</sup> Solid waste refers to waste that is not included in chemical waste or excess electronic equipment i.e., garbage/trash, paper, cardboard, glass, furniture, construction debris, etc. Excludes landscaping and cafeteria waste. In 2004 we changed the definition of solid waste to exclude cafeteria waste. In addition, we clarified the other components of the definition. The new definition led to significant changes from 2003 to 2004 in data reported by some sites.

<sup>5</sup> Percentage recycled = water recycled from operations/total water use for operations

**Fort Collins, CO**

	<b>2004</b>
<b>Energy</b>	
Total electricity consumption (1,000 gigajoules)	284.2
(percentage renewable <sup>1</sup> )	30%
Total natural gas/fuel oil consumption (1,000 gigajoules)	201.3
Total energy consumption (1,000 gigajoules)	485.5
<b>Waste</b>	
Total waste produced (metric tons) <sup>2</sup>	415.9
Total waste landfilled (metric tons)	77.1
Total chemical waste (metric tons) <sup>3</sup>	156.9
Chemical waste treated (metric tons)	0.0
Chemical waste incinerated (metric tons)	1.8
Chemical waste landfilled (metric tons)	1.1
Chemical waste recycled (metric tons)	154.0
Total solid waste (metric tons) <sup>4</sup>	259.0
Solid waste incinerated (metric tons)	0.0
Solid waste landfilled (metric tons)	76.0
Solid waste recycled (metric tons)	183.0
<b>Water</b>	
Total water use for operations (1,000 cubic meters)	912
Total water use for irrigation (1,000 cubic meters)	-
Total water use (1,000 cubic meters)	912
Water recycled from operations (1,000 cubic meters)	-
(percentage recycled <sup>5</sup> )	-

Energy and water data is calendar year, waste is fiscal year.

- = not available

<sup>1</sup> Percentage renewable = renewable electricity/total electricity use

<sup>2</sup> Total waste produced is calculated by adding total chemical waste and total solid waste tonnage.

<sup>3</sup> Chemical waste refers to those chemical materials designated for final disposition that exhibit characteristics that are hazardous or dangerous per local regulatory requirements. This refers to materials that are shipped offsite for treatment, recycling, incineration and landfill. Excludes electronic waste. In 2004 we clarified the definition of chemical waste. This led to changes between 2003 and 2004 in the data reported at some sites.

<sup>4</sup> Solid waste refers to waste that is not included in chemical waste or excess electronic equipment i.e., garbage/trash, paper, cardboard, glass, furniture, construction debris, etc. Excludes landscaping and cafeteria waste. In 2004 we changed the definition of solid waste to exclude cafeteria waste. In addition, we clarified the other components of the definition. The new definition led to significant changes from 2003 to 2004 in data reported by some sites.

<sup>5</sup> Percentage recycled = water recycled from operations/total water use for operations

**Loveland, CO**

	<b>2004</b>
<b>Energy</b>	
Total electricity consumption (1,000 gigajoules)	88.0
(percentage renewable <sup>1</sup> )	20%
Total natural gas/fuel oil consumption (1,000 gigajoules)	30.6
Total energy consumption (1,000 gigajoules)	118.6
<b>Waste</b>	
Total waste produced (metric tons) <sup>2</sup>	698.0
Total waste landfilled (metric tons)	111.0
Total chemical waste (metric tons) <sup>3</sup>	15.0
Chemical waste treated (metric tons)	0.0
Chemical waste incinerated (metric tons)	3.0
Chemical waste landfilled (metric tons)	10.0
Chemical waste recycled (metric tons)	2.0
Total solid waste (metric tons) <sup>4</sup>	683.0
Solid waste incinerated (metric tons)	0.0
Solid waste landfilled (metric tons)	101.0
Solid waste recycled (metric tons)	582.0
<b>Water</b>	
Total water use for operations (1,000 cubic meters)	47
Total water use for irrigation (1,000 cubic meters)	-
Total water use (1,000 cubic meters)	47
Water recycled from operations (1,000 cubic meters)	-
(percentage recycled <sup>5</sup> )	-

Loveland natural gas/fuel oil consumption was down 50% from 2003 and water use for irrigation declined from 31 in 2003 to 0 in 2004. These changes are due to the sale of a building.

Energy and water data is calendar year, waste is fiscal year.

- = not available

<sup>1</sup> Percentage renewable = renewable electricity/total electricity use

<sup>2</sup> Total waste produced is calculated by adding total chemical waste and total solid waste tonnage.

<sup>3</sup> Chemical waste refers to those chemical materials designated for final disposition that exhibit characteristics that are hazardous or dangerous per local regulatory requirements. This refers to materials that are shipped offsite for treatment, recycling, incineration and landfill. Excludes electronic waste. In 2004 we clarified the definition of chemical waste. This led to changes between 2003 and 2004 in the data reported at some sites.

<sup>4</sup> Solid waste refers to waste that is not included in chemical waste or excess electronic equipment i.e., garbage/trash, paper, cardboard, glass, furniture, construction debris, etc. Excludes landscaping and cafeteria waste. In 2004 we changed the definition of solid waste to exclude cafeteria waste. In addition, we clarified the other components of the definition. The new definition led to significant changes from 2003 to 2004 in data reported by some sites.

<sup>5</sup> Percentage recycled = water recycled from operations/total water use for operations

**Little Falls, DE**

	<b>2004</b>
<b>Energy</b>	
Total electricity consumption (1,000 gigajoules)	47.3
(percentage renewable <sup>1</sup> )	2%
Total natural gas/fuel oil consumption (1,000 gigajoules)	6.4
Total energy consumption (1,000 gigajoules)	53.7
<b>Waste</b>	
Total waste produced (metric tons) <sup>2</sup>	362.9
Total waste landfilled (metric tons)	122.5
Total chemical waste (metric tons) <sup>3</sup>	3.6
Chemical waste treated (metric tons)	0.0
Chemical waste incinerated (metric tons)	0.9
Chemical waste landfilled (metric tons)	0.0
Chemical waste recycled (metric tons)	2.7
Total solid waste (metric tons) <sup>4</sup>	359.2
Solid waste incinerated (metric tons)	0.0
Solid waste landfilled (metric tons)	122.5
Solid waste recycled (metric tons)	236.8
<b>Water</b>	
Total water use for operations (1,000 cubic meters)	9
Total water use for irrigation (1,000 cubic meters)	-
Total water use (1,000 cubic meters)	9
Water recycled from operations (1,000 cubic meters)	-
(percentage recycled <sup>5</sup> )	-

The decrease in Little Falls chemical waste recycled was due to the move of a manufacturing process to another site.

The decrease in Little Falls solid waste recycled appears to be due to an unusually high quantity in 2003.

Little Falls water use data is for Q2–Q4 of fiscal year 2004. Q1 data was unavailable.

Energy and water data is calendar year, waste is fiscal year.

- = not available

<sup>1</sup> Percentage renewable = renewable electricity/total electricity use

<sup>2</sup> Total waste produced is calculated by adding total chemical waste and total solid waste tonnage.

<sup>3</sup> Chemical waste refers to those chemical materials designated for final disposition that exhibit characteristics that are hazardous or dangerous per local regulatory requirements. This refers to materials that are shipped offsite for treatment, recycling, incineration and landfill. Excludes electronic waste. In 2004 we clarified the definition of chemical waste. This led to changes between 2003 and 2004 in the data reported at some sites.

<sup>4</sup> Solid waste refers to waste that is not included in chemical waste or excess electronic equipment i.e., garbage/trash, paper, cardboard, glass, furniture, construction debris, etc. Excludes landscaping and cafeteria waste. In 2004 we changed the definition of solid waste to exclude cafeteria waste. In addition, we clarified the other components of the definition. The new definition led to significant changes from 2003 to 2004 in data reported by some sites.

<sup>5</sup> Percentage recycled = water recycled from operations/total water use for operations

**Newport, DE**

	<b>2004</b>
<b>Energy</b>	
Total electricity consumption (1,000 gigajoules)	10.7
(percentage renewable <sup>1</sup> )	2%
Total natural gas/fuel oil consumption (1,000 gigajoules)	10.8
Total energy consumption (1,000 gigajoules)	21.5
<b>Waste</b>	
Total waste produced (metric tons) <sup>2</sup>	451.6
Total waste landfilled (metric tons)	67.1
Total chemical waste (metric tons) <sup>3</sup>	67.1
Chemical waste treated (metric tons)	0.0
Chemical waste incinerated (metric tons)	10.7
Chemical waste landfilled (metric tons)	0.0
Chemical waste recycled (metric tons)	56.3
Total solid waste (metric tons) <sup>4</sup>	384.6
Solid waste incinerated (metric tons)	0.0
Solid waste landfilled (metric tons)	67.1
Solid waste recycled (metric tons)	317.5
<b>Water</b>	
Total water use for operations (1,000 cubic meters)	-
Total water use for irrigation (1,000 cubic meters)	-
Total water use (1,000 cubic meters)	-
Water recycled from operations (1,000 cubic meters)	-
(percentage recycled <sup>5</sup> )	-

Newport water data is unavailable as it is a leased site.

Energy and water data is calendar year, waste is fiscal year.

- = not available

<sup>1</sup> Percentage renewable = renewable electricity/total electricity use

<sup>2</sup> Total waste produced is calculated by adding total chemical waste and total solid waste tonnage.

<sup>3</sup> Chemical waste refers to those chemical materials designated for final disposition that exhibit characteristics that are hazardous or dangerous per local regulatory requirements. This refers to materials that are shipped offsite for treatment, recycling, incineration and landfill. Excludes electronic waste. In 2004 we clarified the definition of chemical waste. This led to changes between 2003 and 2004 in the data reported at some sites.

<sup>4</sup> Solid waste refers to waste that is not included in chemical waste or excess electronic equipment i.e., garbage/trash, paper, cardboard, glass, furniture, construction debris, etc. Excludes landscaping and cafeteria waste. In 2004 we changed the definition of solid waste to exclude cafeteria waste. In addition, we clarified the other components of the definition. The new definition led to significant changes from 2003 to 2004 in data reported by some sites.

<sup>5</sup> Percentage recycled = water recycled from operations/total water use for operations



## Europe

### Boeblingen, Germany

	2004
<b>Energy</b>	
Total electricity consumption (1,000 gigajoules)	73.3
(percentage renewable <sup>1</sup> )	7%
Total natural gas/fuel oil consumption (1,000 gigajoules)	19.5
Total energy consumption (1,000 gigajoules)	92.8
<b>Waste</b>	
Total waste produced (metric tons) <sup>2</sup>	641.0
Total waste landfilled (metric tons)	10.0
Total chemical waste (metric tons) <sup>3</sup>	13.0
Chemical waste treated (metric tons)	1.0
Chemical waste incinerated (metric tons)	0.0
Chemical waste landfilled (metric tons)	10.0
Chemical waste recycled (metric tons)	2.0
Total solid waste (metric tons) <sup>4</sup>	628.0
Solid waste incinerated (metric tons)	130.0
Solid waste landfilled (metric tons)	0.0
Solid waste recycled (metric tons)	498.0
<b>Water</b>	
Total water use for operations (1,000 cubic meters)	43
Total water use for irrigation (1,000 cubic meters)	-
Total water use (1,000 cubic meters)	43
Water recycled from operations (1,000 cubic meters)	-
(percentage recycled <sup>5</sup> )	-

Boeblingen chemical waste is measured when shipped. Due to an infrequent shipping schedule numbers vary from year to year depending on when shipping occurs.

Energy and water data is calendar year, waste is fiscal year.

- = not available

<sup>1</sup> Percentage renewable = renewable electricity/total electricity use

<sup>2</sup> Total waste produced is calculated by adding total chemical waste and total solid waste tonnage.

<sup>3</sup> Chemical waste refers to those chemical materials designated for final disposition that exhibit characteristics that are hazardous or dangerous per local regulatory requirements. This refers to materials that are shipped offsite for treatment, recycling, incineration and landfill. Excludes electronic waste. In 2004 we clarified the definition of chemical waste. This led to changes between 2003 and 2004 in the data reported at some sites.

<sup>4</sup> Solid waste refers to waste that is not included in chemical waste or excess electronic equipment i.e., garbage/trash, paper, cardboard, glass, furniture, construction debris, etc. Excludes landscaping and cafeteria waste. In 2004 we changed the definition of solid waste to exclude cafeteria waste. In addition, we clarified the other components of the definition. The new definition led to significant changes from 2003 to 2004 in data reported by some sites.

<sup>5</sup> Percentage recycled = water recycled from operations/total water use for operations

**Waldbronn, Germany**

	<b>2004</b>
<b>Energy</b>	
Total electricity consumption (1,000 gigajoules)	19.8
(percentage renewable <sup>1</sup> )	7%
Total natural gas/fuel oil consumption (1,000 gigajoules)	9.3
Total energy consumption (1,000 gigajoules)	29.1
<b>Waste</b>	
Total waste produced (metric tons) <sup>2</sup>	236.0
Total waste landfilled (metric tons)	0.0
Total chemical waste (metric tons) <sup>3</sup>	9.0
Chemical waste treated (metric tons)	3.0
Chemical waste incinerated (metric tons)	0.0
Chemical waste landfilled (metric tons)	0.0
Chemical waste recycled (metric tons)	6.0
Total solid waste (metric tons) <sup>4</sup>	227.0
Solid waste incinerated (metric tons)	71.0
Solid waste landfilled (metric tons)	0.0
Solid waste recycled (metric tons)	156.0
<b>Water</b>	
Total water use for operations (1,000 cubic meters)	10
Total water use for irrigation (1,000 cubic meters)	-
Total water use (1,000 cubic meters)	10
Water recycled from operations (1,000 cubic meters)	-
(percentage recycled <sup>5</sup> )	-

Waldbronn solid waste incinerated increased in 2004 due to remodeling and building at the site.

Energy and water data is calendar year, waste is fiscal year.

- = not available

<sup>1</sup> Percentage renewable = renewable electricity/total electricity use

<sup>2</sup> Total waste produced is calculated by adding total chemical waste and total solid waste tonnage.

<sup>3</sup> Chemical waste refers to those chemical materials designated for final disposition that exhibit characteristics that are hazardous or dangerous per local regulatory requirements. This refers to materials that are shipped offsite for treatment, recycling, incineration and landfill. Excludes electronic waste. In 2004 we clarified the definition of chemical waste. This led to changes between 2003 and 2004 in the data reported at some sites.

<sup>4</sup> Solid waste refers to waste that is not included in chemical waste or excess electronic equipment i.e., garbage/trash, paper, cardboard, glass, furniture, construction debris, etc. Excludes landscaping and cafeteria waste. In 2004 we changed the definition of solid waste to exclude cafeteria waste. In addition, we clarified the other components of the definition. The new definition led to significant changes from 2003 to 2004 in data reported by some sites.

<sup>5</sup> Percentage recycled = water recycled from operations/total water use for operations

**South Queensferry, UK**

	<b>2004</b>
<b>Energy</b>	
Total electricity consumption (1,000 gigajoules)	48.9
(percentage renewable <sup>1</sup> )	0%
Total natural gas/fuel oil consumption (1,000 gigajoules)	25.1
Total energy consumption (1,000 gigajoules)	74.0
<b>Waste</b>	
Total waste produced (metric tons) <sup>2</sup>	596.4
Total waste landfilled (metric tons)	238.9
Total chemical waste (metric tons) <sup>3</sup>	1.0
Chemical waste treated (metric tons)	-
Chemical waste incinerated (metric tons)	0.8
Chemical waste landfilled (metric tons)	-
Chemical waste recycled (metric tons)	0.2
Total solid waste (metric tons) <sup>4</sup>	595.4
Solid waste incinerated (metric tons)	0.0
Solid waste landfilled (metric tons)	238.9
Solid waste recycled (metric tons)	356.5
<b>Water</b>	
Total water use for operations (1,000 cubic meters)	32
Total water use for irrigation (1,000 cubic meters)	-
Total water use (1,000 cubic meters)	32
Water recycled from operations (1,000 cubic meters)	-
(percentage recycled <sup>5</sup> )	-

Natural gas and fuel oil consumption increased due to an increase in set points by a new facilities contractor. The error was identified and the set points were readjusted.

South Queensferry solid waste recycled increased in 2004 due to building closures.

Energy and water data is calendar year, waste is fiscal year.

- = not available

<sup>1</sup> Percentage renewable = renewable electricity/total electricity use

<sup>2</sup> Total waste produced is calculated by adding total chemical waste and total solid waste tonnage.

<sup>3</sup> Chemical waste refers to those chemical materials designated for final disposition that exhibit characteristics that are hazardous or dangerous per local regulatory requirements. This refers to materials that are shipped offsite for treatment, recycling, incineration and landfill. Excludes electronic waste. In 2004 we clarified the definition of chemical waste. This led to changes between 2003 and 2004 in the data reported at some sites.

<sup>4</sup> Solid waste refers to waste that is not included in chemical waste or excess electronic equipment i.e., garbage/trash, paper, cardboard, glass, furniture, construction debris, etc. Excludes landscaping and cafeteria waste. In 2004 we changed the definition of solid waste to exclude cafeteria waste. In addition, we clarified the other components of the definition. The new definition led to significant changes from 2003 to 2004 in data reported by some sites.

<sup>5</sup> Percentage recycled = water recycled from operations/total water use for operations

## Asia Pacific

### Shanghai, China

	2004
<b>Energy</b>	
Total electricity consumption (1,000 gigajoules)	9.3
(percentage renewable <sup>1</sup> )	21%
Total natural gas/fuel oil consumption (1,000 gigajoules)	1.0
Total energy consumption (1,000 gigajoules)	10.3
<b>Waste</b>	
Total waste produced (metric tons) <sup>2</sup>	32.0
Total waste landfilled (metric tons)	18.0
Total chemical waste (metric tons) <sup>3</sup>	0.0
Chemical waste treated (metric tons)	0.0
Chemical waste incinerated (metric tons)	0.0
Chemical waste landfilled (metric tons)	0.0
Chemical waste recycled (metric tons)	0.0
Total solid waste (metric tons) <sup>4</sup>	32.0
Solid waste incinerated (metric tons)	0.0
Solid waste landfilled (metric tons)	18.0
Solid waste recycled (metric tons)	14.0
<b>Water</b>	
Total water use for operations (1,000 cubic meters)	11
Total water use for irrigation (1,000 cubic meters)	-
Total water use (1,000 cubic meters)	11
Water recycled from operations (1,000 cubic meters)	-
(percentage recycled <sup>5</sup> )	-

Energy and water data is calendar year, waste is fiscal year.

- = not available

<sup>1</sup> Percentage renewable = renewable electricity/total electricity use

<sup>2</sup> Total waste produced is calculated by adding total chemical waste and total solid waste tonnage.

<sup>3</sup> Chemical waste refers to those chemical materials designated for final disposition that exhibit characteristics that are hazardous or dangerous per local regulatory requirements. This refers to materials that are shipped offsite for treatment, recycling, incineration and landfill. Excludes electronic waste. In 2004 we clarified the definition of chemical waste. This led to changes between 2003 and 2004 in the data reported at some sites.

<sup>4</sup> Solid waste refers to waste that is not included in chemical waste or excess electronic equipment i.e., garbage/trash, paper, cardboard, glass, furniture, construction debris, etc. Excludes landscaping and cafeteria waste. In 2004 we changed the definition of solid waste to exclude cafeteria waste. In addition, we clarified the other components of the definition. The new definition led to significant changes from 2003 to 2004 in data reported by some sites.

<sup>5</sup> Percentage recycled = water recycled from operations/total water use for operations

**Hachioji, Japan**

	<b>2004</b>
<b>Energy</b>	
Total electricity consumption (1,000 gigajoules)	54.9
(percentage renewable <sup>1</sup> )	7%
Total natural gas/fuel oil consumption (1,000 gigajoules)	13.5
Total energy consumption (1,000 gigajoules)	68.4
<b>Waste</b>	
Total waste produced (metric tons) <sup>2</sup>	437.0
Total waste landfilled (metric tons)	0.0
Total chemical waste (metric tons) <sup>3</sup>	2.0
Chemical waste treated (metric tons)	1.0
Chemical waste incinerated (metric tons)	1.0
Chemical waste landfilled (metric tons)	0.0
Chemical waste recycled (metric tons)	0.0
Total solid waste (metric tons) <sup>4</sup>	435.0
Solid waste incinerated (metric tons)	0.0
Solid waste landfilled (metric tons)	0.0
Solid waste recycled (metric tons)	435.0
<b>Water</b>	
Total water use for operations (1,000 cubic meters)	13
Total water use for irrigation (1,000 cubic meters)	-
Total water use (1,000 cubic meters)	13
Water recycled from operations (1,000 cubic meters)	-
(percentage recycled <sup>5</sup> )	-

Energy and water data is calendar year, waste is fiscal year.

- = not available

<sup>1</sup> Percentage renewable = renewable electricity/total electricity use

<sup>2</sup> Total waste produced is calculated by adding total chemical waste and total solid waste tonnage.

<sup>3</sup> Chemical waste refers to those chemical materials designated for final disposition that exhibit characteristics that are hazardous or dangerous per local regulatory requirements. This refers to materials that are shipped offsite for treatment, recycling, incineration and landfill. Excludes electronic waste. In 2004 we clarified the definition of chemical waste. This led to changes between 2003 and 2004 in the data reported at some sites.

<sup>4</sup> Solid waste refers to waste that is not included in chemical waste or excess electronic equipment i.e., garbage/trash, paper, cardboard, glass, furniture, construction debris, etc. Excludes landscaping and cafeteria waste. In 2004 we changed the definition of solid waste to exclude cafeteria waste. In addition, we clarified the other components of the definition. The new definition led to significant changes from 2003 to 2004 in data reported by some sites.

<sup>5</sup> Percentage recycled = water recycled from operations/total water use for operations

**Kobe, Japan**

	<b>2004</b>
<b>Energy</b>	
Total electricity consumption (1,000 gigajoules)	18.5
(percentage renewable <sup>1</sup> )	10%
Total natural gas/fuel oil consumption (1,000 gigajoules)	9.9
Total energy consumption (1,000 gigajoules)	28.4
<b>Waste</b>	
Total waste produced (metric tons) <sup>2</sup>	79.0
Total waste landfilled (metric tons)	0.0
Total chemical waste (metric tons) <sup>3</sup>	0.0
Chemical waste treated (metric tons)	0.0
Chemical waste incinerated (metric tons)	0.0
Chemical waste landfilled (metric tons)	0.0
Chemical waste recycled (metric tons)	0.0
Total solid waste (metric tons) <sup>4</sup>	79.0
Solid waste incinerated (metric tons)	5.0
Solid waste landfilled (metric tons)	0.0
Solid waste recycled (metric tons)	74.0
<b>Water</b>	
Total water use for operations (1,000 cubic meters)	24
Total water use for irrigation (1,000 cubic meters)	-
Total water use (1,000 cubic meters)	24
Water recycled from operations (1,000 cubic meters)	-
(percentage recycled <sup>5</sup> )	-

Energy and water data is calendar year, waste is fiscal year.

- = not available

<sup>1</sup> Percentage renewable = renewable electricity/total electricity use

<sup>2</sup> Total waste produced is calculated by adding total chemical waste and total solid waste tonnage.

<sup>3</sup> Chemical waste refers to those chemical materials designated for final disposition that exhibit characteristics that are hazardous or dangerous per local regulatory requirements. This refers to materials that are shipped offsite for treatment, recycling, incineration and landfill. Excludes electronic waste. In 2004 we clarified the definition of chemical waste. This led to changes between 2003 and 2004 in the data reported at some sites.

<sup>4</sup> Solid waste refers to waste that is not included in chemical waste or excess electronic equipment i.e., garbage/trash, paper, cardboard, glass, furniture, construction debris, etc. Excludes landscaping and cafeteria waste. In 2004 we changed the definition of solid waste to exclude cafeteria waste. In addition, we clarified the other components of the definition. The new definition led to significant changes from 2003 to 2004 in data reported by some sites.

<sup>5</sup> Percentage recycled = water recycled from operations/total water use for operations

**Penang, Malaysia**

	<b>2004</b>
<b>Energy</b>	
Total electricity consumption (1,000 gigajoules)	294.9
(percentage renewable <sup>1</sup> )	18%
Total natural gas/fuel oil consumption (1,000 gigajoules)	0.0
Total energy consumption (1,000 gigajoules)	294.9
<b>Waste</b>	
Total waste produced (metric tons) <sup>2</sup>	677.0
Total waste landfilled (metric tons)	7.0
Total chemical waste (metric tons) <sup>3</sup>	39.0
Chemical waste treated (metric tons)	0.0
Chemical waste incinerated (metric tons)	1.0
Chemical waste landfilled (metric tons)	1.0
Chemical waste recycled (metric tons)	37.0
Total solid waste (metric tons) <sup>4</sup>	638.0
Solid waste incinerated (metric tons)	0.0
Solid waste landfilled (metric tons)	6.0
Solid waste recycled (metric tons)	632.0
<b>Water</b>	
Total water use for operations (1,000 cubic meters)	578
Total water use for irrigation (1,000 cubic meters)	-
Total water use (1,000 cubic meters)	578
Water recycled from operations (1,000 cubic meters)	-
(percentage recycled <sup>5</sup> )	-

The Penang solid waste data reported in 2004 decreased significantly from 2003. This is due to changes and clarifications in the solid waste definition and increased data accuracy (i.e. use of actual versus estimated data).

Water recycled from operations at the Penang site went from 21 in 2003 to not available in 2004. This is due to clarification of definitions of recycled water and acceptable measurement methods.

Energy and water data is calendar year, waste is fiscal year.

- = not available

<sup>1</sup> Percentage renewable = renewable electricity/total electricity use

<sup>2</sup> Total waste produced is calculated by adding total chemical waste and total solid waste tonnage.

<sup>3</sup> Chemical waste refers to those chemical materials designated for final disposition that exhibit characteristics that are hazardous or dangerous per local regulatory requirements. This refers to materials that are shipped offsite for treatment, recycling, incineration and landfill. Excludes electronic waste. In 2004 we clarified the definition of chemical waste. This led to changes between 2003 and 2004 in the data reported at some sites.

<sup>4</sup> Solid waste refers to waste that is not included in chemical waste or excess electronic equipment i.e., garbage/trash, paper, cardboard, glass, furniture, construction debris, etc. Excludes landscaping and cafeteria waste. In 2004 we changed the definition of solid waste to exclude cafeteria waste. In addition, we clarified the other components of the definition. The new definition led to significant changes from 2003 to 2004 in data reported by some sites.

<sup>5</sup> Percentage recycled = water recycled from operations/total water use for operations

**Singapore**

	<b>2004</b>
<b>Energy</b>	
Total electricity consumption (1,000 gigajoules)	191.8
(percentage renewable <sup>1</sup> )	0%
Total natural gas/fuel oil consumption (1,000 gigajoules)	0.0
Total energy consumption (1,000 gigajoules)	191.8
<b>Waste</b>	
Total waste produced (metric tons) <sup>2</sup>	853.0
Total waste landfilled (metric tons)	24.0
Total chemical waste (metric tons) <sup>3</sup>	195.0
Chemical waste treated (metric tons)	53.0
Chemical waste incinerated (metric tons)	142.0
Chemical waste landfilled (metric tons)	0.0
Chemical waste recycled (metric tons)	0.0
Total solid waste (metric tons) <sup>4</sup>	658.0
Solid waste incinerated (metric tons)	259.0
Solid waste landfilled (metric tons)	24.0
Solid waste recycled (metric tons)	375.0
<b>Water</b>	
Total water use for operations (1,000 cubic meters)	214
Total water use for irrigation (1,000 cubic meters)	-
Total water use (1,000 cubic meters)	214
Water recycled from operations (1,000 cubic meters)	-
(percentage recycled <sup>5</sup> )	-

Agilent Singapore represents 3 sites.

The Singapore waste data increased significantly in 2004. This was primarily due to the changes and clarifications of definitions of chemical and solid waste, improved recycling activities and some non-Agilent activities at a leased site.

Energy and water data is calendar year, waste is fiscal year.

- = not available

<sup>1</sup> Percentage renewable = renewable electricity/total electricity use

<sup>2</sup> Total waste produced is calculated by adding total chemical waste and total solid waste tonnage.

<sup>3</sup> Chemical waste refers to those chemical materials designated for final disposition that exhibit characteristics that are hazardous or dangerous per local regulatory requirements. This refers to materials that are shipped offsite for treatment, recycling, incineration and landfill. Excludes electronic waste. In 2004 we clarified the definition of chemical waste. This led to changes between 2003 and 2004 in the data reported at some sites.

<sup>4</sup> Solid waste refers to waste that is not included in chemical waste or excess electronic equipment i.e., garbage/trash, paper, cardboard, glass, furniture, construction debris, etc. Excludes landscaping and cafeteria waste. In 2004 we changed the definition of solid waste to exclude cafeteria waste. In addition, we clarified the other components of the definition. The new definition led to significant changes from 2003 to 2004 in data reported by some sites.

<sup>5</sup> Percentage recycled = water recycled from operations/total water use for operations



## Social performance

### Community investment

#### Community investment (million US\$)

<b>Fiscal year</b>	<b>2004</b>
Education	3.2
Environment	0.3
Health and Human Services	1.6
Other	0.1
Total	5.2

## Diversity and opportunities

### Gender (% male/female)

<b>Worldwide</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>
All employees	60.6 / 39.4	59.6 / 40.4	59.7 / 40.3
Executives and senior management	78.6 / 21.4	77.7 / 22.3	78.8 / 21.2

### Ethnicity of executives and senior management (USA only) (%)

<b>Fiscal year</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>
Caucasian	89.3	84.5	86.9
Asian/Pacific Islander	6.3	9.5	8.8
Hispanic/Latin	2.3	3.7	2.8
African-American	1.7	2.1	1.2
Native American/Alaskan	0.4	0.3	0.3

Data is as of end of each fiscal year (end of October)

## Employment

### Worldwide

#### Employees (people)

<b>Fiscal year</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>
Asia Pacific	11700	11300	11800
Europe	6600	5400	4800
USA	17700	12300	11500
TOTAL	36000	29000	28200

#### Employment creation (people)

<b>Fiscal year</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>
Regular employment	1367	1538	2503
Internal temporary workers	167	159	206
Total employment creation	1534	1697	2709

#### Employment turnover

<b>Fiscal year</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>
Number of employees	6847	8738	2838
Ratio of full-time employees	16.5%	24.3%	9.7%

#### Total benefits and wages (US\$)

<b>Fiscal year</b>	<b>2003</b>	<b>2004</b>
Base compensation and benefits	2,464,024,600	2,243,276,600
Overtime	25,669,400	24,926,900
Commissions	46,230,000	58,429,600
Total compensation and benefits	2,535,924,000	2,326,633,100
Temporary labor	67,068,600	66,589,100
Total compensation and benefits and temporary labor	2,602,992,600	2,393,222,200

Employment numbers as of the end of each fiscal year (end of October)

## Asia Pacific

### Asia Pacific - employment creation (people)

<b>Fiscal year</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>
Regular employment	690	1124	1708
Internal temporary workers	99	57	134
Total employment creation	789	1181	1842

### Asia Pacific – employment turnover

<b>Fiscal year</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>
Number of employees	1306	1794	1087
Ratio of full-time employees	10.7%	15.3%	9.6%

Employment numbers as of the end of each fiscal year (end of October)

## Europe

### Europe – employment creation (people)

<b>Fiscal year</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>
Regular employment	224	147	238
Internal temporary workers	62	98	63
Total employment creation	286	245	301

### Europe – employment turnover

<b>Fiscal year</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>
Number of employees	1046	1397	522
Ratio of full-time employees	13.9%	21.2%	9.8%

Employment numbers as of the end of each fiscal year (end of October)

**USA**

**USA – employment creation (people)**

<b>Fiscal year</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>
Regular employment	453	267	557
Internal temporary workers	6	4	9
Total employment creation	459	271	566

**USA – employment turnover**

<b>Fiscal year</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>
Number of employees	4495	5547	1229
Ratio of full-time employees	20.7%	31.3%	10.0%

Employment numbers as of the end of each fiscal year (end of October)

## Health and safety

<b>Fiscal year</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>
Total recordable cases	410	280	175
Global lost work-day case rate	0.20	0.16	0.12
Global injury/illness rate	1.0	0.9	0.6

### Recordable cases

<b>Fiscal year</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>
Ergonomic	68%	68%	57%
Contusions	12%	14%	17%
Slips, trips, falls	11%	9%	11%
Other	6%	7%	10%
Chemical contact	3%	2%	5%
Abrasions	1%	0%	1%
Total recordable cases	410	280	175

### Cause of lost workday

<b>Fiscal year</b>	<b>no. of cases 2002</b>	<b>% of total</b>	<b>no. of cases 2003</b>	<b>% of total</b>	<b>no. of cases 2004</b>	<b>% of total</b>
Ergonomic	36	46%	24	46%	11	31%
Slip or fall	15	19%	10	19%	8	22%
Struck by/against	14	18%	9	17%	8	22%
Chemical contact	2	3%	1	2%	2	6%
Abrasions	1	1%	1	2%	0	0%
Motor vehicle accident	7	9%	6	12%	2	6%
Accident not elsewhere classified	3	4%	1	2%	5	14%
Totals	78		52		36	

Data is for Agilent worldwide.

The past year has seen our global recordable injury/illness rate decline by 33% from our fiscal year 2003 rate of 0.9 to a fiscal year 2004 rate of 0.6.

We also saw a decrease in the lost workday case rate. The lost workday case rate was 0.16 in fiscal year 2003 and 0.12 in fiscal year 2004, a decline of 25%.

**Injury/illness rate**

The calculation for the injury/illness rate is based on the number of recordable occupational injury/illness cases multiplied by 200,000 then divided by the hours worked for the same time period in which the injuries occurred. For example, if you had two injuries in a quarter and 50,000 hours worked, then the calculation would be:

$$2 \times 200,000/50,000 = 8.0 \text{ injury/illness rate.}$$

**Recordable injury/illness case**

Occupational injury/illness involving medical treatment beyond first aid, diagnosed occupational illness or workdays lost beyond date of injury.

**Lost workday case rate**

The lost workday case rate is based on the number of occupational lost workday injury/illness cases multiplied by 200,000 then divided by the hours worked for the same time period in which the injuries occurred. For example, if you had one lost workday injury/illness case in a quarter and 50,000 hours worked, then the calculation would be:

$$1 \times 200,000/50,000 = 4.0 \text{ lost workday case rate.}$$

**Lost workday case**

Recordable cases involving lost workdays beyond date of injury (more serious injury/illness).

## Financial performance

	2004	2003	% change
Net revenue	7,181	6,056	19
Income (loss) from operations (GAAP basis)	386	(725)	153
Non-GAAP adjustments:	161	372	
Restructuring expenses			
Intangibles amortization and other	95	64	
Income (loss) from operations (non-GAAP basis)	642	(289)	322



## Appendix II – Glossary

### **Agilent AfterSchool**

A hands-on science program targeted at children from the ages of 9 to 13 years and supported by Agilent employee volunteers.

### **AGRM**

Agilent Global Risk Management.

### **ARM**

Agilent Restricted Materials database.

### **ASICs**

Application-specific integrated circuits.

### **Aspect, significant aspect (environmental)**

An environmental aspect is an element of an organization's activities, products or services that can interact with the environment. A significant environmental aspect is one that has or can have a significant environmental impact.

### **ATG**

Automated Test Group, an Agilent business.

### **BCP**

Business Continuity Planning.

### **BOM**

Bill of Materials.

### **BSR**

Business for Social Responsibility.

### **CA**

California.

### **CFC**

Chlorofluorocarbons - gaseous compounds used in refrigerants and aerosols, which are harmful to the ozone layer.

### **CO<sub>2</sub>**

Carbon dioxide - a gaseous by-product of energy generation and energy use that is known to contribute to global warming.

### **CSG**

Communications Solutions Group, an Agilent business.

### **CSR**

Corporate Social Responsibility.

### **CY**

Calendar year.

### **DfE**

Design for the Environment.

### **EHS**

Environmental, Health and Safety.

**EHSMS**

Environmental, Health and Safety Management System.

**EPA**

Environmental Protection Agency, a US government agency.

**EPSP**

Electronic Products and Solutions Group, an Agilent business.

**ESR**

Environmental and Social Responsibility.

**Form 10-K**

A report filed annually by public companies with the Securities and Exchange Commission. A report similar to the annual report, except that it contains more detailed information about the company's business, finances and management. It also includes the bylaws of the company, other legal documents and information about lawsuits in which the company is involved.

**FY**

Fiscal year. For Agilent, this is November 1 to October 31.

**GHG**

Greenhouse gas - a gas that contributes to increasing the insulating properties of the earth's atmosphere. Carbon dioxide (CO<sub>2</sub>), methane (CH<sub>4</sub>) and oxides of nitrogen (NO<sub>x</sub>) are the three main greenhouse gases.

**Gigajoule**

1 gigajoule = 277.78 kilowatt-hour.

**GRI**

Global Reporting Initiative, an independent global institution that is developing a generally accepted framework for sustainability reporting. For more information go to <http://www.globalreporting.org>

**GSE**

General Specification for the Environment.

**ILO**

International Labour Organization. For more information go to <http://www.ilo.org>

**Impact (environmental)**

A change to the environment, whether adverse or beneficial, wholly or partially resulting from an organization's activities, products or services.

**Injury/illness rate**

The calculation for the injury/illness rate is based on the number of recordable occupational injury/illness cases multiplied by 200,000 then divided by the hours worked for the same time period in which the injuries occurred. For example, if you had two injuries in a quarter and 50,000 hours worked, then the calculation would be:

$$2 \times 200,000 / 50,000 = 8.0 \text{ injury/illness rate.}$$

**ISEF**

International Science and Engineering Fair.

**ISO 14001**

An international standard issued by the International Organization for Standardization (ISO) relating to environmental management systems.

**Kilowatt-hour**

1 kilowatt-hour = 3.6 x 10<sup>6</sup> joules = 3.6 x 10<sup>-3</sup> gigajoules.

**LEDs**

Light-emitting diodes.

**Lost workday case**

Recordable cases involving lost workdays beyond date of injury (more serious injury/illness).

**Lost workday case rate**

The lost workday case rate provides information on the number of occupational lost workday injury/illness cases multiplied by 200,000 then divided by the hours worked for the same time period in which the injuries occurred. For example, if you had one lost workday injury/illness case in a quarter and 50,000 hours worked, then the calculation would be:

$1 \times 200,000 / 50,000 = 4.0$  lost workday case rate.

**LSCA**

Life Sciences and Chemical Analysis Group, an Agilent business.

**MOU**

Memorandum of Understanding.

**MWDVBE**

Minority, Women, Disabled Veteran-owned Business Enterprises.

**NEW**

National Engineers Week.

**NGO**

Non-governmental organization.

**OHSAS 18001**

International occupational health and safety management system specification.

**Optocoupler**

A combination of a light source and a photosensitive detector.

**PBDEs**

Polybrominated diphenyl ethers - flame retardants added to plastic used in household products and electronics devices that may cause human health effects.

**PFCs**

Perfluorocompounds - potent and persistent greenhouse gases used in the manufacturing of semiconductors and integrated circuits.

**PLANet**

Agilent's database for storage and reporting of hazardous materials content and packaging of our products.

**PSR**

Product safety and regulations.

**QES**

Quality and Engineering Services.

**Recordable injury/illness case**

Occupational injury/illness involving medical treatment beyond first aid. Diagnosed occupational illness, or workdays lost beyond date of injury.

**RoHS**

Restriction of Hazardous Substances Directive.

**SIA**

Semiconductor Industry Association.

**SPG**

Semiconductor Products Group, an Agilent business.

**Sustainability**

The ability to meet the needs of this generation without compromising the needs of future generations.

**TQRDCE**

Agilent supplier performance evaluation process based on technology, quality, responsiveness, delivery, cost and environmental and social responsibility performance.

**UK**

United Kingdom.

**US**

United States of America.

**US\$**

US dollars, the currency of the United States.

**USGS**

United States Geological Survey.

**WEEE**

Waste Electrical and Electronic Equipment Directive.

**WPS**

Workplace Services.

**WRAP**

Waste Reduction Awards Program.

**WSC**

World Semiconductor Council.

**YTD**

Year to date.

## Appendix III – Comments

### Business for Social Responsibility

Agilent appreciates stakeholder feedback. We have already received comments on this year's Environment and Social Responsibility Report from Business for Social Responsibility (BSR).

### Business for Social Responsibility comments on the Agilent 2004 Environment and Social Responsibility Report

*January 2005*

This is the fourth year in which BSR has provided feedback and public commentary on the Agilent Environment and Social Responsibility Report.

BSR has been asked to highlight strengths and weaknesses and provide suggestions for improvement in both reporting methodology and social and environmental performance.

BSR's comments do not verify or express an opinion on the accuracy, materiality or completeness of the information provided in the Agilent report. Rather, BSR's comments represent a perspective based on our experience in the field of social and environmental performance and on our familiarity with Agilent's work to date.

BSR commends Agilent for continuing to produce high-quality social and environmental reports and for maintaining a strong commitment to corporate citizenship through its recent transformation. Agilent's efforts over a number of years are now paying dividends in terms of improved social and environmental performance:

- Reductions in both energy use (24.5% since 2000) and CO<sub>2</sub> emissions (greater than 10% since 2002) are headline environmental achievements
- BSR also welcomes the adoption and implementation of a code of conduct for labor standards in the supply chain. It is clear that Agilent has not just made a policy commitment but is also making good progress implementing these standards with its first-tier suppliers
- The Health and Safety data also shows notable improvements in reportable cases, injury/illness rates and lost workdays
- Numerous awards and achievements, such as being ranked number 9 in the 100 Best Corporate Citizens by *Business Ethics* Magazine and being selected for the Dow Jones Sustainability Index for the fourth consecutive year.

It is clear from these results that good social and environmental progress is being made at Agilent.

The report also contains a number of helpful innovations, including a detailed Global Reporting Initiative Index, a section focused on the specific needs of investors and an in-depth look at important issues such as climate change and supply chain labor standards. There is good consistency with the Agilent Corporate Report, which includes a description of Agilent's social and environmental performance highlights.

However, there are a number of priorities for Agilent if it is to continue to improve its social and environmental performance and strategy:

- Enhance its corporate citizenship management framework by more clearly publicly identifying and articulating its most important social and environmental issues, metrics and objectives
- Take the implementation of its supply chain labor standards code of conduct to the next stage – for example, through training and development of suppliers, investigating

areas of high risk further down the Agilent supply chain and considering opportunities for joint implementation with other industry players.

In terms of reporting, the current Environment and Social Responsibility Report contains a great amount of detail about Agilent's activities, but could benefit from greater analysis and discussion:

- What are the highlights and lowlights, the key issues arising during the year and the main challenges ahead? How does Agilent feel about its performance during 2004, and what are its prospects during 2005?
- For investor audiences Agilent could provide a business case, a description of key risks and opportunities going forward and an analysis of which social and environmental issues are of most material concern to Agilent's future business prospects and why. In short, how does corporate citizenship help deliver the Agilent business strategy?
- Including more information on Agilent's corporate social responsibility governance framework, such as how often the cross-functional Citizenship team meets, whether it reports to the Board, a description of its Charter or Terms of Reference and a summary of issues discussed
- Agilent rightly identifies that the use of its products and services represents one of its most significant environmental impacts. However, Agilent can provide more information about how the use of its products and services can contribute to social and environmental progress and what strategies Agilent has in place to maximize this contribution.

Finally, as in previous years, BSR recommends that Agilent reviews and presents its plans in relation to external verification and assurance.

**Business for Social Responsibility (BSR)** is a global organization that helps member companies achieve success in ways that respect ethical values, people, communities and the environment. BSR provides information, tools, training and advisory services to make corporate social responsibility an integral part of business operations and strategies. A non-profit organization, BSR promotes cross-sector collaboration and contributes to global efforts to advance the field of corporate social responsibility.