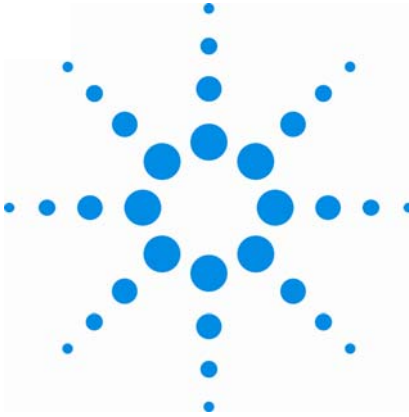


Agilent Environment and Social Responsibility Report

2007



Agilent Technologies

CEO Letter



Bill Sullivan, President and CEO
Agilent Technologies, Inc.

Over the past several years, Agilent has worked to align our businesses with customers and markets. In 2008, our strategic intent is unchanged - to leverage the strength of our operating model to achieve sustainable and profitable growth. Agilent's environmental and social responsibility activities directly support this intent. As we pursue opportunities and manage risks across all our businesses and geographies, we continue to maintain our commitment to strong corporate citizenship. The Agilent Environment and Social Responsibility Report describes our strategies, priorities and performance in this global process.

Agilent continues to make our world more productive and a safer, healthier, more sustainable place to live. Environmental and social responsibility highlights of 2007 include:

- Reducing our worldwide energy usage for the seventh year in a row. Targeted energy-efficiency projects and operational improvements implemented in 2007 resulted in 2.2 percent energy savings, a significant contribution to reducing greenhouse gases;
- Achieving recognition as one of the "Global 100 Most Sustainable Corporations in the World", announced during the 2007 World Economic Forum in Davos, Switzerland;
- Ranking number seven in "100 Best Corporate Citizens" list (CRO magazine) and on the "Top 50 Corporate Citizens" list (CommonWealth magazine);
- Reaching over 80,000 pre-university students worldwide through our Agilent After School hands-on science program. More than 30,000 middle school and high school students in the U.S., China and India learned about environmental science from our Agilent Clean Air Challenge curriculum; and
- Supporting community programs in 15 countries, where approximately 25 percent of our employees donated close to 30,000 hours to community service.

Everywhere I go around the world, I see how Agilent's customers value what we do. To provide the tools for people to advance science... to verify that the water we drink and the food we eat are safe... to ensure that networks work...to ensure that cell phones operate properly - this is Agilent at work. For me, it's all about capitalizing on what we do best - measurement science - and addressing global sustainability at the same time.

Agilent's efforts in addressing environmental and social responsibility have their roots in our corporate values. We believe that good corporate citizenship is the right thing to do and is good business. Our employees, our customers and our investors expect nothing less.

A handwritten signature in black ink, appearing to read "Bill Sullivan". The signature is fluid and cursive, with a long horizontal stroke at the end.

Bill Sullivan
President and Chief Executive Officer
March 2008

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Adrian Dillon, Executive Vice President,
Finance and Administration and Chief
Financial Officer

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Overview



"Senior-level support for the management of environmental, social and economic impacts is crucial for successful implementation. We are committed to communicating this support throughout the company."

Saleem Odeh, Vice President and General Manager, Sales, Service and Support, Electronic Measurements Group

This report describes Agilent Technologies, Inc.'s (Agilent's) relationships with the environment and society. It presents our strategies, objectives, results and plans for improvement, and discusses our areas of special interest and materiality. The report includes information on Agilent's 2007 environmental and social performance.

This is the eighth Environment and Social Responsibility Report produced by Agilent. Our 2006 report was published in March 2007, and updated in May 2007. Previous reports are available from the Agilent Environment and Social Responsibility Report webpage at www.agilent.com/go/sustainability.

Company Profile

Agilent is the world's premier measurement company, providing the critical tools and technologies that sense, measure and interpret the physical and biological world. When measurement matters, engineers, scientists, manufacturers, businesses, researchers and government agencies rely on Agilent tools and solutions:

- Leaders in cell-phone production depend on Agilent equipment to help design, prototype, and test and manufacture their products.
- Wireless communication providers rely on Agilent solutions to ensure the quality of services on their networks.
- Network equipment manufacturers test complicated networking protocols with Agilent solutions.
- Agilent's microwave synthetic instruments are helping to reduce the total cost of testing sophisticated avionics.
- Where quality and purity were once measured in parts per million, today Agilent's solutions measure contaminants in parts per trillion.
- Fixed and mobile laboratories equipped with Agilent instruments are deployed to help detect industrial toxins and infectious diseases.
- Agilent's bio-analytical solutions for genomics and proteomics are helping scientists discover the potential causes of a wide range of diseases.
- The world's leading pharmaceutical companies rely on Agilent measurement products when developing drugs - from basic research to manufacturing and quality control.

- Agilent's high-precision instrumentation allows researchers to measure and manipulate objects only billionths of a meter in size. Life science, electrochemistry, material science and polymer science applications all benefit from this ability to see and work at the nanoscale.

From disease discovery to wireless communications, our products and solutions make the world a better place to live. No other company offers the breadth and depth of our measurement tools and solutions. Agilent's profile is available on our About Agilent webpage at www.agilent.com/about.

Strategic Growth Initiatives

One of Agilent's goals is to leverage our operating model through higher, sustainable and profitable growth. To achieve this growth, we will continue to invest in our core product platforms and in a focused set of strategic growth initiatives as outlined by management.

Agilent's fiscal year 2008 Strategic Plan Review focuses on five strategic growth initiatives where investments are made and tracked at a corporate level. In addition to these five, other growth initiatives are funded and tracked at a business-unit level. These initiatives are the focus of management reviews, research and development resources, and merger and acquisition opportunities during the year.

Measures of Success

Agilent's strategic intent is to be the measurement solutions partner to every engineer, service provider and scientist in the electronics and bio-analytical markets. To measure our progress, Agilent's four Measures of Success are focused on the customer, our marketplace, our shareholders and our employees. The metrics and emphasis change slightly over time, but these four metrics focus on what is core to Agilent. Our fiscal year 2008 Measures of Success are:

- Create loyal customers
- Speed to opportunity
- Accelerate profitable growth
- Leverage the operating model

Values

Executing business in a sustainable way is part of our value set of being a good corporate citizen.

Our Values

Innovation and Contribution

- Differentiation of our contribution in the eyes of our customers

Trust, Respect and Teamwork

- Individuals are treated with respect
- Working globally and in a diverse workforce

Uncompromising Integrity

- Will never compromise integrity in any relationships with customers, suppliers or employees

Speed

- Decisive
- Rapid responses to customer and business needs

Focus

- Make tough trade-offs

Accountability

- Do what we say we will do
- People are accountable for their commitments

Commitment

Agilent's objective as a corporate citizen is to be an economic, intellectual and social asset in each nation and community in which we do business. Our citizenship role includes:

- Active community involvement to support progress on effective science education, environmental stewardship, and health and human services needs
- Appropriate involvement in public policy issues that affect the company and our industry
- Proactive environmental, health and safety programs
- Focus on workforce diversity and inclusion
- Development of products and technologies that provide environmental and social benefits

We 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.

Management

The organization, policies 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
- Attract, develop and retain our employees
- Enhance our value to our communities
- Ensure the highest levels of quality in our products and services
- Increase competitiveness in our technology, products and talent
- Create a consistent approach across Agilent, where applicable
- Meet the expectations of our stakeholders

Reporting Structure/Organization

The topics covered in this document report into several functions within the Agilent organization.

Environmental, Health and Safety

Workplace Services, reporting into Agilent's Chief Financial Officer, manages Agilent's environmental, health and safety policies and procedures.

Social

Social responsibilities and employee-related programs within Agilent are managed by a variety of functions:

- Human Resources, reporting into Agilent's Chief Executive Officer, is responsible for terms of employment and employee relations throughout worldwide operations.
- Corporate Relations, reporting into Agilent's Chief Financial Officer, manages Agilent's policies and procedures in relation to the communities in which we operate.

Economic

Economic performance is monitored and analyzed by:

- Finance
- Corporate Financial Reporting
- Investor Relations

These functions report into 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.

Policies and Position Statements

Agilent has a wide range of policies, programs and position statements that address environmental and social topics.

Environmental Policy

Agilent will act in an environmentally responsible manner in regard to our operations, products and services. You can find out more about our Environmental Policy at

www.agilent.com/environment/epolicy.pdf.

Occupational Health and Safety Policy

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

www.agilent.com/environment/ohspolicy.pdf.

Human Rights and Labor Policy

Agilent will conduct our business with uncompromising integrity and promote human rights within the company's sphere of influence. Our Human Rights and Labor Policy is available at

[www.jobs.agilent.com/who we are/agilentrightsandpolicy.pdf](http://www.jobs.agilent.com/who_we_are/agilentrightsandpolicy.pdf).

Quality Policy

Agilent will earn customer loyalty by providing products, services and interaction experiences of the highest quality and greatest value. You can find out more at www.agilent.com/quality/qpolicy.pdf.

Employee Volunteerism Policy

Agilent employees may use up to four hours of company time per month, with manager approval, to work on company-sponsored or supported community activities. These activities include programs that increase student interest and achievement in science education, improve the environment, and address health and human services issues. More information is available on the Agilent Volunteers webpage at

www.agilent.com/comm_relation/comty_actn_volntrs.shtml.

Privacy Principles

Agilent is committed to respecting and protecting the privacy and personal information of our customers, employees and partners. Our practices are 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 - requiring third parties who process personal data on Agilent's behalf to follow appropriate privacy practices
- 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 U.S. Safe Harbor Program to ensure we meet the highest privacy standards

More information about our privacy principles is available on Agilent's Customer Privacy webpage at www.agilent.com/go/privacy.

Political Activities

Agilent contributes to dialogue and decision-making on public policies that affect the company, our employees or our operations. While the company limits political activities on company time and premises, we encourage employees to be actively involved in civic affairs. Specific questions about our political activities can be submitted via www.agilent.com/go/contactus.

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:

- Non-discrimination policy
- Accessibility policy
- Education assistance program
- Employee assistance program
- Employee network group guidelines
- A balance between campus recruiting and experienced hiring
- Harassment-free work environment
- Flexible work schedules and part-time, when possible

Position Statements

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

- Glycol ethers elimination position statement
- Ozone-depleting substances elimination position statement
- Reproductive health for chemical and radiation operations position statement
- Restricted chemicals position statement

- Restriction of Hazardous Substances (RoHS) Directive statement available at www.agilent.com/quality/agilent_rohs.pdf

Specific questions about any of these statements can be submitted via www.agilent.com/go/contactus.

Management Systems and Standards

Agilent's management systems are central to our strategy for maintaining a sustainable business.

Environmental, Health and Safety Management System

Agilent's Environmental, Health and Safety Management System (EHSMS) is a company-wide system designed to provide a framework for our environmental, health and safety (EHS) policies and programs. 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 14001:2004, an international standard for environmental management systems. Agilent achieved its first registration to BS 7750 (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 2001, and laid the groundwork for registering our manufacturing sites under a single, company-wide certificate. In April 2006, Agilent transitioned our certification to the updated ISO 14001:2004 standard. Agilent's EHSMS has been implemented at research and development facilities and other large non-production facilities; however, these sites are not included in our ISO 14001 registration.

As Agilent acquires other companies, we have processes in place to integrate manufacturing sites into our EHSMS and ISO 14001:2004 registration. More information is available on Agilent's ISO14001 and EHS Management System web page at www.agilent.com/environment/environment2.shtml.

OHSAS 18001

Agilent's EHSMS conforms to OHSAS 18001; however, we do not currently have plans to register to this standard. In late 2006, Agilent discontinued OHSAS 18001 registration at our South Queensferry, Scotland site, which we first achieved in 1999. Agilent continues to maintain an EHSMS at this site that conforms to OHSAS 18001.

Quality Management Systems

Agilent maintains quality management systems so that our products, services and interactions consistently and effectively meet customer expectations and applicable regulatory requirements. Our management systems also provide mechanisms for continual improvement. Agilent's two business groups, Electronic Measurement and Bio-Analytical Measurement, both maintain ISO 9001:2000 registrations for their respective global operations. ISO 9001:2000 is an international standard for quality management systems. More information is available on Agilent's Quality Policy and Resources web page at <http://www.agilent.com/quality/index.shtml>.

Environmental, Health and Safety 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 objectives and targets, significant aspects are considered along with our policies; legal and other requirements; available technological options; our financial, operational and business requirements; and the views of interested parties.

Agilent's significant company-wide EHS aspects related to operations, products and suppliers for fiscal year 2008 are:

- Chemical use, handling, storage and selection
- Contractor activities
- Energy use
- Ergonomics (force, frequency and posture)
- Material selection (direct materials)
- Material use (direct materials)
- Packaging
- Solid waste generation
- Fire and electrical safety

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

Product Responsibility

As part of Agilent's Quality Policy, we ensure that our products comply with relevant safety and regulatory requirements. The Quality Policy is communicated to appropriate employees and is available to customers and other stakeholders.

Product Quality

Agilent implements product lifecycle processes that include provisions for product and quality sign-offs prior to product releases. Specific individuals on product development teams are identified as responsible for confirming a product's conformance to legal and

Agilent-specific standards, and for ensuring that environmental goals are met.

Regulatory Compliance

During fiscal year 2007, Agilent was not the subject of confirmed allegations of regulatory violations associated with our products.

Information for Stakeholders

Ensuring that our products meet safety requirements before they come to market is just one of our responsibilities to customers. We also make certain that customers have easy access to the information they request regarding our products and services. Our Quality and Environmental Policies guide 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 submitted via www.agilent.com/go/contactus.

Supplier Management

The rise of emerging economies generates a challenge of managing supply chains across countries with different regulations and norms for corporate social responsibility. Agilent informs our suppliers, partners and contractors of our expectations, and encourages 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 Environmental and Social Responsibility Code of Conduct

In the area of environmental and social responsibility (ESR), we adopted a specific Supplier ESR Code of Conduct in 2004. This document informs suppliers of Agilent's ESR 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.

The Agilent Technologies Supplier ESR Code of Conduct is available on Agilent's ESR Expectations for Suppliers webpage at www.agilent.com/environment/env_expectations.shtml.

Supplier Environmental and Social Responsibility Risk Evaluation

An objective of Agilent's supplier ESR management program is to minimize risk from suppliers related to ESR. Agilent implements a quarterly supplier ESR risk evaluation process to screen our suppliers who provide materials that go directly to build Agilent products. This

process can lead to in-depth evaluations, onsite surveys and corrective action requests.

Based on our in-depth evaluations, suppliers may be identified for onsite EHS and labor site surveys so that Agilent can obtain first-hand information on the suppliers' operations. Following the onsite surveys, we provide the suppliers with a summary of our findings and recommended corrective actions, if any. Most of the corrective actions to-date have been in the categories of chemical and/or hazardous waste storage and spill prevention, safety/personal protective equipment training, emergency egress, and electrical/fire safety. At the end of fiscal year 2007, 16 onsite surveys were performed in Taiwan, China, South Korea and Malaysia. The surveys included one follow-up and two third-year surveys. One of the surveys was conducted at an Agilent contract manufacturer in China before moving Agilent production to the site.

In 2007, we improved our program by addressing potential ESR risk and conducting onsite surveys on suppliers used by Agilent's strategic contract manufacturers. We are receiving positive feedback from the surveyed suppliers regarding this process.

Cooperation with Key Indirect Suppliers

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

Stakeholder Engagement

Agilent engages with a wide range of stakeholders on issues that affect the company's operations. During business planning, Agilent considers external charters, principles and guidelines. We also participate in industry and trade groups at local, regional, state, national and international levels to address emerging issues; develop industry-wide approaches to environmental and social challenges; and cooperate with governments, non-governmental organizations and other stakeholders on common concerns. Agilent's stakeholders include:

- Customers
- Employees
- Investors
- Suppliers
- Government agencies
- Communities
- Neighbors
- Non-governmental organizations

We engage with our stakeholders through consultations, surveys, ad-hoc feedback and reviews:

- Through our Agilent Customer Satisfaction program, we survey customers who interact with various touch-points across our businesses and regions, and we provide continual updates to our management.
- Our Agilent Market Survey provides a measure of our customers' loyalty compared to the loyalty of our competitors' customers. The results are used to identify opportunities for growth and areas where additional business investments are warranted. Agilent is associated with trust, safety and success due to its heritage, breadth of products and long-standing reputation.
- Each year we choose a focused area for improvement and conduct a quarterly Leadership Audit to measure employee perceptions of progress, and hold middle and senior managers accountable for continuous improvement. Annually, we survey employees regarding their perceptions of Agilent's management practices and culture. Highlights of the survey results are discussed in the Employment section of this report.
- On a quarterly basis at most of Agilent's sites, employee sessions are held to share business updates, country-specific affairs, as well as to address employee-requested topics.
- We regularly meet and communicate with our investors and other members of the financial community. This includes one-on-one meetings, quarterly financial-results conference calls, Agilent Analyst Meetings and our annual shareholder meeting.
- We require our suppliers to adhere to our Supplier ESR Code of Conduct, and we work with suppliers to address environmental and social issues that are identified in their operations.
- We have ongoing relationships with regulators at local, regional and national levels regarding operational areas such as EHS and product environmental and safety compliance.

These feedback mechanisms provide Agilent with information to help improve our environmental, social and economic performance. For example, Agilent Workplace Services monitors global issues and reviews external inquiries to help identify areas where we could further improve our EHS performance and programs. Similarly, Corporate Relations uses the input it receives to help guide our community programs, such as volunteerism and grants.

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 and principles that were considered by Agilent in developing our policies, position statements, EHSMS and reporting structures are:

- ISO 14001:2004 - international standard for environmental management systems
- OHSAS 18001:1999 - standard for occupational health and safety management systems
- Global Reporting Initiative - 2006 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
- Conventions of the ILO

Memberships of Organizations

Agilent participates in trade, industry and professional organizations that are local, national and global. Our participation helps the company achieve its business and citizenship goals by enabling the company to work with other companies on issues that affect our industry, by keeping Agilent abreast of industry issues and best practices, and by providing a vehicle in which we can contribute to and influence public policy. Examples of these memberships include:

- Confederation of Indian Industry
- European Union Committee of the American Chamber of Commerce
- Japan Electric Measuring Instruments Manufacturers Association
- Information Technology Industry Council
- International Electronics Manufacturing Initiative
- NASSCOM
- Silicon Valley Leadership Group
- The Conference Board
- US-ASEAN Business Council

Data Privacy

A major part of protecting an individual's privacy is to treat their personal information (e.g. name, address, e-mail address and phone) appropriately. We have made the protection of our customers' privacy a major policy initiative and have a company-wide Privacy program. Our program provides the necessary global infrastructure to ensure personal customer and employee information is collected and used in a fair, lawful and honest fashion. This past year, we performed an assessment of our Privacy program to identify opportunities for enhancement. Assessment recommendations are being leveraged into

program improvements. Agilent continues to protect the personal information of our customers, employees and partners in an ever-changing regulatory and technology-driven privacy landscape.

Questions regarding Agilent's privacy practices can be submitted via privacy_advocate@agilent.com.

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 issues are sometimes identified in our operations during the course of regulatory inspections. When applicable, Agilent investigates the alleged violations in order to learn from them so that we can initiate new policies and programs that might prevent similar incidents in the future.

During our fiscal year 2007, there were 20 alleged regulatory violations associated with EHS operations at our sites worldwide. We work cooperatively with government authorities to resolve these types of issues.

Fiscal Year	Alleged EHS Violations	Fines (US\$)
2003	10	0
2004	23	500
2005	25	0
2006	14	0
2007	20	0

Fiscal Year 2007	Asia Pacific	Europe	U.S.
Alleged EHS Violations	0	0	20

Discussion

For fiscal year 2007, the alleged violations were minor and no fines were issued. Agilent was not the cause of any significant spills. Alleged violations have been taken seriously and corrective actions implemented.

Managing Risk

Risk management is a system that includes four basic steps:

- Risk identification and assessment
- Risk analysis
- Risk mitigation
- Risk financing

Agilent's approach to risk management is largely decentralized, supported by the belief that those closest to risk can generally manage the risk most effectively. This approach also highlights the fact that risk management expertise exists throughout the enterprise. Agilent Global Risk Management is the corporate function chartered to

promote prudent risk management practice through direct engagement with the business and selected infrastructure organizations, using tools and processes to facilitate that practice globally. This function also is responsible for developing and implementing risk financing strategies for the company's operational exposures while minimizing the company's total cost of risk.

Areas of ongoing interest and focus include:

- Business continuity management, including planning and testing at the site, business and enterprise levels
- Business risk identification and analysis
- Contracts risk management
- Incident response
- Insurance program compliance and management
- Merger and acquisition risk management due diligence
- Property protection engineering

Governance

Agilent strives to operate our company in a responsible, ethical fashion, and to communicate 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 governance policies are discussed in detail on our Corporate Governance, Governance Policies webpage that is linked from the Investor Relations webpage at www.agilent.com/go/investor.

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 a Director on the Board
- Standards of Business Conduct

In 2007, Agilent created a new position of Chief Compliance and Ethics Counsel, who has oversight responsibilities for Agilent's overall governance activities. In addition, Agilent maintains a Compliance Council consisting of representatives from our main corporate and business functions. Meeting quarterly, the charter of the council is to

ensure that Agilent is responsibly managing items related to overall governance activities.

Standards of Business Conduct Training

Each employee is personally responsible and accountable for helping Agilent maintain its reputation for the highest standards of integrity. Agilent's Standards of Business Conduct applies to all Agilent employees, including executive officers.

Managers are responsible for reviewing the standards with their reports at least once a year. Online training is chosen by the majority of managers for this purpose. The online training course covers topics in the Standards of Business Conduct: conflict of interest; handling company information and assets; and conduct involving outside parties. New employees to Agilent are required to complete this course. Beginning in January 2008, Agilent introduced a new compliance and ethics training program for Agilent employees worldwide. Employees are asked to complete the Standards of Business Conduct online training course every year and pass the test at the end of the training module.

Our citizenship performance has resulted in Agilent's inclusion in socially responsible investment indices. In 2007, for the seventh consecutive year, Agilent was selected for the Dow Jones Sustainability World Index. Agilent also was included in several other socially responsible indices including the Calvert Social Index and Portfolio 21.

Environmental Strategy and Performance



"Our customers expect Agilent to meet the highest standards in our environmental and social policies and processes."

Lon Justice, Vice President and General Manager, Sales, Service and Support, Life Sciences and Chemical Analysis

Agilent has a range of policies, programs and objectives in place to help us monitor and manage our environmental impacts. 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. Agilent is aware that efficient use of resources benefits our business, our stakeholders and the environment.

Environmental Achievements

Environmental achievements during 2007 included:

- Reducing our worldwide energy usage for the seventh year in a row. Targeted energy-efficiency projects and operational improvements implemented in 2007 resulted in 2.2 percent energy savings, a significant contribution to reducing greenhouse gases;
- Completing the implementation of a green-cleaning program that reduces the use of hazardous materials at manufacturing sites in the U.S.;
- Receiving a best-practice award at our Santa Rosa, California, U.S. site from Sonoma County's Business Environmental Alliance that highlighted Agilent's achievements in energy management, water conservation, recycling and solid-waste management;
- Receiving a solid-waste-reduction award from the California Integrated Waste Management Board for the fourth consecutive year at our Santa Clara, California, U.S. site;
- Ranking 42 in the U.S. Environmental Protection Agency (EPA) Fortune 500 Green Power Challenge for the Santa Clara, California site's green-power purchase, support and participation. The site purchased nearly 2 million kilowatt hours of green power, which is enough to meet 6 percent of the facility's purchased electricity use. Our commitment to green power helps reduce greenhouse-gas emissions, while also supporting the development of new renewable-generation capacity worldwide;
- Improving our data systems and processes to track and control restricted substances in our products; and
- Introducing new products and applications designed specifically for environmental testing. Product examples included the Agilent 7890A gas chromatograph and the Agilent 5975C gas chromatograph/mass spectrometer. Last year, we developed a number of applications for the food and environmental-testing industries on many different Agilent instruments.

Materials

Making efficient use of our resources benefits our business, our stakeholders and the environment. Agilent monitors and controls the materials we use through:

- An infrastructure to monitor product-material content;
- Programs to track new and emerging global substance restrictions, regulations and requirements;
- Product stewardship teams within each of our businesses that seek ways to improve the use of environmentally-friendly materials in product design and manufacturing;
- Packaging alternatives that reduce environmental impacts; and
- Recycling, remarketing and refurbishment programs.

Reducing and Eliminating Restricted Substances

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

Agilent has two main strategies to drive restricted-substance elimination. First, we communicate our restrictions to our product designers and our suppliers. The primary communication vehicle for Agilent product designers is the Agilent Design for Environment guideline, a document for internal use. The primary communication vehicle for suppliers is Agilent's General Specification for the Environment (GSE), available at www.agilent.com/environment/GSE.pdf. The GSE outlines specific restrictions for materials that are incorporated into Agilent's products, and is maintained by an internal working group that scans emerging regulations and industry practices. The second strategy to drive restricted-substance elimination is to verify that selected suppliers meet Agilent's requirements. There are three primary types of verification. First, our strategic manufacturing suppliers are asked environmental-compliance questions during recurring performance measurement reviews. One of the questions addresses the GSE. Also, some of our manufacturing operations require their strategic suppliers to verify in writing that they have received and adhere to Agilent's GSE. Finally, Agilent has a centralized program and database to gather and store information about the chemical substances in the materials that are incorporated into Agilent products (see Tracking and Reporting section below).

These initiatives demonstrate Agilent's commitment to proactive management of rapidly-changing global restrictions of chemical

substances in materials. Where technically feasible, Agilent continues to proactively eliminate restricted and environmentally-problematic substances from our products. More information is available on Agilent's Supplier RoHS web page at www.agilent.com/supplier/Welcome_ROHS.shtml.

In 2007, Agilent made significant progress toward tracking and eliminating the use of certain restricted substances in our purchased materials. Teams were put in place to review specific materials and parts, and make sure they meet the European Union (E.U.) RoHS Directive. Even though E.U. RoHS does not apply to most Agilent products, the company made voluntary progress toward bringing our purchased materials into alignment. In addition to working on alignment with E.U. RoHS, focused teams addressed issues beyond E.U. RoHS, such as eliminating the use of hexavalent-chromium coatings (even though E.U. RoHS allows up to 0.1 percent by weight), and ensuring materials and parts meet Agilent's GSE.

Lead-Free Transition

Lead is used widely in electronics for applications including solder and component termination finishes. In cooperation with multiple industry consortia, we have identified and are using acceptable lead-free-component finishes that are suitable for high-reliability applications. Our goal is to provide products that are reliable, long-life, and environmentally responsible. We plan to continue our investment in research to find appropriate lead-free material and manufacturing solutions for high-reliability products.

Tracking and Reporting

Our suppliers who provide materials that go directly to build Agilent products are subject to our GSE, which spells out the substances that must be avoided or restricted to particular uses. Given the complexity of our supply chain, however, a major challenge has been establishing the tracking and reporting systems to enable us to document the use (or absence) of restricted substances in our products. Agilent is progressively improving our data systems and processes to track and control restricted-material substances in our products. In 2007, we eliminated the use of hexavalent-chromium coatings among most of our fabricated-metal-part suppliers and we have converted nearly 23,000 printed-circuit-assembly components to lead-free-termination finishes.

To reduce and eliminate the use of restricted substances in our products, we are developing and implementing new systems to track the use of restricted substances in our purchased materials.

Looking Ahead

Eliminating restricted substances from our products will take time. Cooperation within our industry and across our supply chain will

enable the steps required to substitute more environmentally-friendly materials while maintaining the quality and reliability needed by our customers. Establishing robust systems for tracking and reporting the use of restricted substances will play an important role in supporting this cooperation and in pointing to opportunities for eco-design.

Energy

Energy Use in Operations

During 2007, Agilent reduced our worldwide energy (electricity and natural gas) usage for the seventh year in a row. Targeted energy-efficiency projects and operational improvements implemented in 2007 resulted in 2.2 percent energy savings, a significant contribution to reducing greenhouse gases.

Reducing Use

Agilent continues to emphasize reducing energy use among employees, thereby helping to reduce air pollution from fossil-fuel production. Employees are encouraged to switch off non-essential lighting and equipment such as personal computers and monitors when not in use. When personal computers are delivered to employees, each computer is pre-configured by our information-technology service provider with fully-enabled, energy-savings settings.

We also achieve energy reductions by implementing and maintaining temperature and lighting guidelines, by completing infrastructure projects and by sharing best practices among sites. Examples of these efforts are:

- Completing several energy-saving projects at our Little Falls, Delaware, U.S. site. Four rooftop units were replaced for more efficient heating and air conditioning. In addition, the site installed three air curtains and seals at shipping-dock doors to save significant heating and cooling energy. The site connected the kitchen-exhaust fan controls to the building-control system and programmed a scheduling algorithm which reduced the fan-energy use by 50 percent;
- Installing compressor heat ducting at our Newport, Delaware, U.S. site that recaptures heat energy in the winter months and ventilates heat in the summer months;
- Retrofitting 90,000 square feet of high-bay warehouse metal-halide lighting at the New Castle, Delaware, U.S. facility with high-efficiency lamps;
- Conducting an energy audit at the Hachioji, Japan site with a local energy-consulting company to identify future opportunities to save energy. In addition, the site reduced total energy usage by six

percent - 998 megawatt hours - from the previous year by reducing operational hours for the chillers and turbo refrigerators, optimizing the temperature-control system and utilizing outside air for air-conditioning; and

- Installing over 500 horsepower of variable-speed drives to reduce motor-energy usage by as much as 50 percent at the Santa Rosa, California, U.S. site. We also reduced energy use by installing new high-efficiency lighting, and heating, ventilating and air conditioning (HVAC) during two building renovations.

2008 Plans for Reducing Use

As we move into fiscal year 2008, we have set a goal of 1.5 percent energy conservation at our large-owned offices and manufacturing sites worldwide, which is approximately 85 percent of Agilent's total facility-energy use. During 2008, Agilent plans to continue our commitment to saving energy and reducing the associated environmental impact by:

- Supporting an active campaign to engage employees in energy-savings practices in both the home and office;
- Promoting and enabling work-at-home opportunities;
- Installing 1.1 megawatts of solar-power generation at our sites;
- Setting a goal to increase green-energy use by 0.5 percent worldwide;
- Participating, for the second year in a row, in the EPA Climate Leaders Program;
- Completing the Climate Leaders environmental survey; and
- Strengthening Agilent's partnership with our facility-management company to further reduce energy use at our facilities by implementing operational and capital-improvement projects. We also are funding the addition of a full-time, energy-conservation program manager, who will be completely dedicated to the identification and implementation of energy-conservation opportunities.

The growing use of renewable energy sources, more reuse, lower greenhouse-gas emissions and lower costs – that is the present and future of energy at Agilent.

Energy Use in Air Travel and Fleet

Agilent reduces the amount of energy consumed for air travel and fleet by making use of remote meeting and communication tools, such as Microsoft NetMeeting© and WebEx©. In 2007, Agilent used the WebEx© meeting manager tool to conduct approximately 5,000

remote meetings per month - about 2 million total minutes per month in virtual meetings. Agilent believes that use of these remote meeting tools helps to reduce our air and ground travel.

In 2007, Agilent tested hybrid fleet vehicles at six U.S. sites. Agilent is investigating the feasibility of expanding the use of hybrid vehicles in our fleet program.

In some regions, commute subsidies are ongoing for employees. For example, in Singapore, shuttle-bus services are provided on a daily basis for Agilent employees to and from the site. Other sites that support commute subsidies are our offices in Gurgaon, India; Penang, Malaysia; and Beijing and Shanghai, China. Also, in the U.S., our Santa Clara, California site provides a free shuttle-bus to the local train station and subsidizes mass-transit commuters.

Energy Use in Manufacturing Products

Recovering and reselling products generally requires only a fraction of the energy used to make a new product. We have developed innovative approaches, including rolling-out a product recertification program, to offer our customers reliable-used equipment and to help build the market for remanufactured and refurbished equipment.

Water

Agilent continues to be committed to water conservation and water-management projects at our sites worldwide. The Santa Rosa, California, U.S. site is a good example of this commitment, where business practices include award-winning programs that conserve or reuse limited natural resources. Efforts to reduce water use by 35 million gallons a year and recycle 20 million gallons - 60 percent - of industrial wastewater for process use and irrigation were acknowledged with a "Pretreatment, Pollution Prevention and Storm Water Facility of the Year" award from the California Water Environment Association.

Biodiversity

Agilent is aware that large companies can impact the diversity of the environment. One of Agilent's positive impacts on biodiversity is through employee volunteerism.

Efforts that show Agilent made a positive impact on biodiversity in 2007 included:

- Working with local environmental organizations on a quarterly basis, Santa Rosa, California, U.S. employees volunteering on projects that preserve and restore Sonoma County beaches, waterways and open space areas. Employees adopted Doran Beach near Bodega Bay and did beach clean-up several times during the year. Other projects in Santa Rosa included planting

trees at Spring Lake Regional Park, removing non-native plants and replacing them with native species at Doyle Park, and designing, making and installing trail signs in Annadel State Park;

- Volunteering during the week coinciding with Earth Day on April 22, 2007, to improve the environment in the local communities surrounding our sites. Environmental awareness was made a family affair at our Hachioji, Japan site, where a tree-planting festival was organized on a nearby mountainside. The site also hosted an environmental-education program for employees and their children, and a “no-car” day, during which Agilent employees were encouraged to use public transport; and
- Planting 50 trees at our Penang, Malaysia site in a greening program sponsored by the Municipal Council of Penang Island and Penang State Forestry Department.

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.

CO₂ Emissions from Energy Use

Carbon-dioxide (CO₂) air emissions are a leading contributor to global warming. Agilent’s CO₂ air emissions are associated with indirect sources. Some of Agilent’s indirect impacts are described here.

CO₂ Emissions from Energy Use in Operations

Agilent's most notable indirect impact on greenhouse-gas emissions is through our use of purchased electricity. We have reduced CO₂ emissions associated with energy use through a variety of conservation means as indicated in the previous Energy section.

In 2007, we purchased approximately 1.13 million gigajoules of electricity and natural gas for our manufacturing sites. After converting energy use to CO₂ emissions and subtracting the CO₂ emissions avoided by our green-energy procurement, Agilent emitted approximately 130 metric kilotons of CO₂ to the atmosphere.

Reducing CO₂ Emissions

Agilent reduces CO₂ emissions from energy use by conservation activities and by procuring green (carbon-free) electricity. In 2007, the amount of energy used at Agilent worldwide was down for the seventh year in a row. Our energy use in 2007 is 2.2 percent lower than in 2006, due to conservation activities.

In 2007, compared to 2006, we reduced CO₂ emissions at our existing Agilent large-owned offices and manufacturing sites by 3.8 metric kilotons due to energy-conservation activities and by an additional 6.1

metric kilotons due to green (carbon-free) electricity procurement. Examples of our green-energy procurement are:

- Procuring energy that is completely derived from carbon-free sources (hydro-electric and wind) at Agilent's South Queensferry, U.K. site;
- Being the second-largest user of wind energy (199 megawatt hours per year) in Loveland, Colorado, U.S., a city whose population is approximately 60,000; and
- Continuing to purchase approximately 6 percent of total electricity as wind power at the Santa Clara, California, U.S. site.

Looking forward, Agilent will maintain our commitment to green-energy procurement and we will install solar-power (photovoltaic) generation at the Santa Rosa, California, U.S. and Waldbronn, Germany sites. In addition, Agilent will explore carbon-offset programs as opportunities to further reduce the company's carbon footprint.

CO₂ Emissions from Energy Use in Air Travel and Fleet

An estimated 233.5 million miles were flown by Agilent business travelers worldwide in 2007, which contributed a release of approximately 52.2 metric kilotons of CO₂.

Approximately 24.2 million miles were driven by Agilent employees using fleet vehicles in the U.S., which contributed a release of an estimated 11.5 metric kilotons of CO₂ (our Asia Pacific and European fleet miles have not been quantified to date).

Summary

Reducing, or even stabilizing, the concentration of CO₂ and other heat-trapping greenhouse gases in the atmosphere is a major challenge during this century. Agilent's greenhouse-gas 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 our actions. In total, Agilent's approximate quantified CO₂ emissions from purchased electricity, natural gas, and travel (where calculated) were 194 metric kilotons in 2007, compared to 212 metric kilotons in 2006, a reduction of approximately 9 percent.

Ozone-Depleting Substances

Agilent eliminated chlorofluorocarbons, carbon tetrachloride, and 1,1,1-trichloroethane use in worldwide manufacturing processes in 1993. Procurement practices are in place to help prevent the inadvertent reintroduction of these ozone-depleting substances into manufacturing processes.

Waste

Agilent maintains ongoing programs to reduce the use of hazardous materials in our operations, products and services. We also continue in our efforts to reduce the chemical and solid waste generated at our worldwide manufacturing operations by following the principles of Reduce - Reuse - Recycle. Examples of environmentally-friendly business practices in 2007 included:

- Implementing award-winning programs at the Santa Rosa site that conserve or reuse our limited natural resources. The site's solid waste management program recycled more than 1,000 tons of material annually for an average landfill diversion rate of 78 percent and earned a State of California Waste Reduction Awards program (WRAP) for the Year award;
- Using bio-degradable dinnerware, including plates, bowls and coffee cups (sugar-cane-pulp based), eating utensils (soy based) and water glasses (corn-syrup based) that are purchased from a local vendor at our Loveland, Colorado, U.S. site;
- Completing the implementation of a green-cleaning program for Agilent manufacturing sites with Johnson Controls, our outsourced facility-management company in the U.S. This program replaced 14 different chemicals with five environmentally-safe products, which are used in our day-to-day cleaning. Also included is a list of specific janitorial equipment to be used in operations (e.g. high-efficiency, particulate air filtration; and high-efficiency, low-emission engines);
- Reusing or recycling 90 percent of removed materials during a consolidation project at our Loveland, Colorado, U.S. site. The reuse program included donation of specific items such as fitness equipment to non-profit agencies;
- Working with our vendor, Interface, to reuse 82,000 pounds of carpet during renovation projects at our Santa Rosa, California, U.S. site;
- Establishing processes with waste-management vendors at our Hachioji, Japan site that result in more than 99 percent of removed materials being reused or recycled since 2000. This is a diversion of 400 metric tons of solid waste that would have been disposed of in landfill;
- Receiving a Waste Reduction Awards Program (WRAP) solid waste reduction award from the California Integrated Waste Management Board for the fourth consecutive year at Agilent's Santa Clara, California, U.S. site. We implemented a successful reuse and recycling program for solid-waste materials and have established on-site recycling centers that are staffed by our

recycling contractor, OneSource. The recycling centers provide support and space for a major desk-side and manufacturing-by-product recycling program that makes it easy for employees to recycle; and

- Continuing to emphasize onsite-recycling programs in our operations. At Agilent sites, a number of outlets are available for waste recycling of cardboard packaging, paper and plastic waste, metal cans, furniture waste, electronic and electrical waste, wood scrap and toner cartridges.

Agilent is proud of the success achieved to date in our waste-reduction efforts, and intends to continually improve our performance. Information regarding reducing hazardous materials in our products may be found in the previous Materials section.

Products and Services

It is our policy to provide products and services that meet legal and regulatory requirements, including applicable environmental and safety standards. In some instances, we exceed local regulations and standards 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 and safety standards for products and services are part of our EHSMS. The EHSMS includes periodic global audits of our product environmental programs.

Over the last year, Agilent introduced new products and applications designed specifically for environmental testing. Examples included:

- Agilent 7890A gas chromatograph, the successor to the world's most popular gas chromatograph (6890). This new instrument is popular in high-volume environmental-laboratory testing for pesticides, polychlorinated biphenyls, and other compounds of environmental interest. Using the Agilent-proprietary, capillary-flow technology, the instrument can be used to solve difficult analytical problems and speed-up analysis;
- Agilent 5975C gas chromatograph/mass spectrometer, which is used for volatile and semi-volatile analysis in waters, soils, and solid matrices. With the Deconvolution Reporting Software, this instrument can be used to screen hundreds of compounds even when they are not completely separated. This capability dramatically shortens the time of analysis and provides more accurate results;
- A number of applications for the food industry on many different Agilent instruments. For example, we developed new applications for melamine and cyanuric-acid testing in pet food on both our gas

chromatograph/mass spectrometer and liquid chromatograph/mass spectrometer systems; and

- Applications for the environmental-testing industry on Agilent instruments. We developed new applications for semi-volatiles in drinking and waste water; pharmaceutical products in ground water; and speciated inorganics, such as chromium and arsenic, on our gas chromatograph/mass spectrometer, liquid chromatograph/mass spectrometer and inductively-coupled-plasma mass spectrometer systems.

Our products and services are assessed across their lifecycles to minimize their negative environmental impacts. We work with suppliers and customers to promote the responsible disposal of products when they are no longer needed.

We also have continued our purchase alternatives initiative, which allows customers a range of alternatives for purchasing Agilent Electronic Measurement Group (EMG) products. Alternatives include remanufactured equipment, a trade-in program, leasing and financing plans, and equipment rental. The initiative allows customers to effectively acquire, manage and recycle equipment. Programs such as these help to reduce resource and energy use associated with manufacturing new products.

More than 75 percent of EMG products returned to Agilent were refurbished and reused in 2007. More information is available at <http://buyalternatives.tm.agilent.com>.

Addressing Global Climate Change

In 2007, Agilent Laboratories identified six “mega-trends” that are important to society and to a measurement company into the next decade. Climate change was one of the six identified mega-trends. Carbon emissions and energy usage trends predict a worldwide climate temperature increase of 2 to 5 degrees Celsius over the next century. Global climate change will drive the need for new in-field measurement technologies and create growth opportunities for Agilent. Examples include technologies that will:

- Measure greenhouse-gas emissions;
- Monitor and gauge emerging climate-change solutions, such as carbon-sequestration fields; and
- Enable more efficient use of impacted natural resources, specifically - energy and water.

The local impact of climate change requires detailed measurement on the ground. Highlights of Agilent's work in this area include:

- Networked Bay Environmental Assessment Monitoring Stations (NetBEAMS) project aimed at measuring water quality in the San Francisco Bay of California, U.S.; and
- Distributed-temperature-sensing products, such as the Agilent Distributed Temperature System N4385A/N4386A, that are being used in environmental-monitoring projects related to global climate change.

Environmental Performance Data

Materials

Product packaging used in Europe (metric tons)

Fiscal Year	2005	2006	2007
Wood	98	98	120
Steel	0	3	1
Plastics	47	39	46
Paper/Card	542	538	601
Glass	0	0	0
Composite	2	2	2
Aluminum	0	0	0
Other	0	1	2
TOTAL	690	681	772

Discussion

This data represents primary packaging for Agilent hardware, software, spare parts and accessories in countries where Agilent has direct reporting requirements for product packaging.

In 2007, data is included from Europe (Austria, Belgium, Denmark, Finland, France, Germany, Ireland, Italy, Netherlands, Spain, Sweden and the U.K.). The data is compiled using material-specific information from our packaging suppliers for high-volume hardware, and product-line averages for low-volume hardware, software spare parts and accessories. It does not include secondary transport packaging. Secondary transport packaging (e.g. pallets) is owned by transport companies and is not quantified by Agilent.

In 2007, product shipments in Europe increased by 9 percent over 2006. The types of products changed due to growth in some sectors and introduction of new-application products.

Energy

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

Fiscal Year	2005	2006	2007
Total energy/net revenue	35	29	21
Total electricity/net revenue	26	22	16

Integrated data – CO₂ emissions per net revenue (kilograms/100 US\$)

Fiscal Year	2005	2006	2007
CO ₂ emissions from energy/net revenue	4.44	2.96	2.40

Integrated data – Energy per square foot (kilowatt hours/square foot)

Fiscal Year	2005	2006	2007
Total energy/square foot	63.6	46.6	44.6

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

Fiscal Year	2005	2006	2007
Total electricity consumption	1772	1079	859
(percentage green electricity*)	0.37	4.94	5.67
Total natural gas consumption	619	352	270
TOTAL	2392	1431	1129

Energy consumption**Regional breakdown*****Asia Pacific (1,000 gigajoules)***

Fiscal Year	2005	2006	2007
Total electricity consumption	556	364	313
Total natural gas consumption	17	15	15
Total energy consumption	573	379	328

Europe (1,000 gigajoules)

Fiscal Year	2005	2006	2007
Total electricity consumption	145	110	90
Total natural gas consumption	46	65	37
Total energy consumption	191	175	127

U.S. (1,000 gigajoules)

Fiscal Year	2005	2006	2007
Total electricity consumption	1072	605	456
Total natural gas consumption	556	272	218
Total energy consumption	1628	877	674

Discussion

The energy and CO₂ to net-revenue ratios and energy usage per square foot decreased from 2005 to 2006 partly due to the divestiture of the Semiconductor Products Group. Starting 2006, percentage green (carbon-free) electricity is provided instead of percentage renewable because green electricity is a better metric of our actual procurement.

During fiscal year 2007, Agilent reduced energy use by 2.2 percent at our large-owned offices and manufacturing sites which comprise an estimated 85% of our total electricity and natural gas consumption. This amount represents the reduction in our energy use by taking action to conserve, and does not account for energy reductions due to building closures or real-estate divestitures.

Electricity from green sources, as a percent of total electricity consumption, increased from less than 1% in 2005, to 4.9% in 2006, to 5.7% in 2007.

Notes

* Percentage green electricity = green electricity purchased/total electricity use

Water

Integrated data - Water

Fiscal Year	2005	2006	2007
Total water use for operations/net revenue (1,000 cubic meters/100 million US\$)	38	22	16

Water consumption

Worldwide (1,000 cubic meters)

Fiscal Year	2005	2006	2007
Total water use for operations	2633	1075	843
Total water use for irrigation	114	137	232
Water recycled from operations	99	64	66
Total water use (percentage recycled*)	2746 4%	1212 5%	1074 8%

Water consumption

Regional breakdown

Asia Pacific (1,000 cubic meters)

Fiscal Year	2005	2006	2007
Total water use for operations	764	562	418
Total water use for irrigation	37	na	na
Water recycled from operations	na	na	na
Total water use (percentage recycled*)	800 na	562 na	418 na

Europe (1,000 cubic meters)

Fiscal Year	2005	2006	2007
Total water use for operations	62	53	28
Total water use for irrigation	na	1	1
Water recycled from operations	na	na	na
Total water use	62	53	28
(percentage recycled*)	na	na	na

U.S. (1,000 cubic meters)

Fiscal Year	2005	2006	2007
Total water use for operations	1807	460	397
Total water use for irrigation	77	137	231
Water recycled from operations	99	64	66
Total water use	1884	597	628
(percentage recycled*)	5%	11%	17%

Notes

Agilent's water use is primarily due to day-to-day building operations. Total worldwide water use decreased by 11% in 2007 compared to 2006. 2007 water data does not include the Folsom, California site due to a lease arrangement without a water meter.

Total water use decreased from 2005 to 2006 partly due to the divestiture of the Semiconductor Products Group.

* Percentage recycled = water recycled from operations/total water use for operations

na - Not available

Air emissions**Purchased electricity and natural gas consumption (metric kilotons CO₂)¹**

Fiscal Year	2005	2006	2007
Asia Pacific	81.1	53.3	46.5
Europe	22.3	12.4	8.1
U.S.	204.7	81.3	75.7
TOTAL	308.1	147.0	130.3

Employee air travel (million miles)

Fiscal Year	2005	2006	2007
Employee air travel	238.6	250.5	233.5

Employee air travel (metric kilotons CO₂)²

Fiscal Year	2005	2006	2007
Employee air travel	53.3	55.9	52.2

Employee fleet travel (U.S. only) (million miles)³

Fiscal Year	2005	2006	2007
For business (driver-assigned)	19.2	15.3	20.4
For business (pool and group)	0.6	0.7	0.6
For personal (driver-assigned)	3.8	3.8	3.2
TOTAL	23.6	19.7	24.2

Employee fleet travel (U.S. only) (metric kilotons CO₂)⁴

Fiscal Year	2005	2006	2007
For business (driver-assigned)	9.1	7.3	9.7
For business (pool and group)	0.3	0.3	0.3
For personal (driver-assigned)	1.8	1.8	1.5
TOTAL	11.2	9.4	11.5

Discussion

In 2007, Agilent reduced net total CO₂ emissions at our operations by 9.9 metric kilotons as a result of energy conservation activities and green (carbon-free) electricity procurement. This amount represents the reduction in our CO₂ emissions (using local emission coefficients) by taking action to conserve energy and purchase green energy; and does not account for CO₂ emission reductions due to building closures or real-estate divestitures.

Notes

Air emissions reported to government are not included this year because the data includes only emissions that are requested to be reported by government, which can vary between states and countries.

¹ We gather energy use data, which includes electricity and natural gas use, from our utility bills, and then use state and country specific CO₂ coefficients to calculate resulting tons of CO₂ emissions.

Europe and Asia Pacific CO₂ emissions calculations:

Emissions from electricity use - Europe and Asia Pacific sites' CO₂ emissions from electricity were obtained by multiplying country-specific electricity usage by the country-specific emission coefficients from Greenhouse Gas Protocol Initiative's "Indirect CO₂ emissions from purchased electricity" version 3.0 March 2008 (www.ghg.org) coefficients and subtracting the emissions saved by green energy (zero-carbon emitting energy sources) procurement.

Emissions from natural gas use - The conversion factors used to calculate Europe and Asia Pacific sites' CO₂ emissions from natural gas use were obtained by multiplying country-specific natural gas usage by the United Nations Environment Programme emissions coefficient of 0.0002020 tons CO₂/kilowatt hour.

U.S. emissions calculations:

The conversion factors used to calculate U.S. sites' CO₂ emissions from electricity and natural gas were obtained from the eGRID2006 Version 2.1 (April 2007) Year 2004 Summary Tables state-specific coefficients. The emissions were calculated by multiplying the state-specific electricity coefficients by site-specific energy usage data from Agilent's utility bills and subtracting the emissions saved by green energy (zero-carbon emitting energy sources) procurement. For natural gas CO₂ emissions calculations in 2007, a value of 0.000181632 metric ton/kilowatt hour was used for all U.S. locations.

² The conversion factor used to calculate emissions is 0.2233 kg CO₂ per passenger mile. Our distance data is a mix of short-, medium- and long-haul airline trips, so the conversion factor used is an average of those recommended by the June 2003 GHG Protocol Initiative tools.

³ These numbers are for Agilent's U.S. fleet vehicles only. They do not include mileage from asset vehicles, or Agilent's fleet vehicles outside the U.S.

⁴ The conversion factor used to calculate emissions is 0.4746kg CO₂/mile. This factor is based on the June 2003 GHG Protocol Initiative tools and is for large gas autos (19 mpg).

Waste

Worldwide waste data (metric tons)

Calender Year	2005	2006	2007
Total waste produced ¹	8580	6146	6675
Total waste landfilled	1629	1080	1037
Total chemical waste ²	1115	824	707
Chemical waste treated	127	36	40
Chemical waste incinerated	111	119	153
Chemical waste landfilled	53	210	123
Chemical waste recycled	825	459	390
Total solid waste ³	7465	5323	5969
Solid waste incinerated	360	199	288
Solid waste landfilled	1576	871	913
Solid waste recycled	5529	4253	4767

Regional breakdown

Asia Pacific waste data (metric tons)

Calender Year	2005	2006	2007
Total waste produced ¹	1990	2028	1381
Total waste landfilled	43	28	44
Total chemical waste ²	142	76	82
Chemical waste treated	13	0	2
Chemical waste incinerated	81	74	79
Chemical waste landfilled	16	0	0
Chemical waste recycled	33	1	2
Total solid waste ³	1848	1953	1298
Solid waste incinerated	291	62	124
Solid waste landfilled	27	28	44
Solid waste recycled	1531	1863	1130

Europe waste data (metric tons)

Calender Year	2005	2006	2007
Total waste produced ¹	842	804	797
Total waste landfilled	107	101	95
Total chemical waste ²	27	26	25
Chemical waste treated	4	2	2
Chemical waste incinerated	5	6	5
Chemical waste landfilled	8	11	11
Chemical waste recycled	11	7	7
Total solid waste ³	815	778	772
Solid waste incinerated	69	137	137

Calendar Year	2005	2006	2007
Solid waste landfilled	99	90	84
Solid waste recycled	646	551	551

U.S. waste data (metric tons)

Calendar Year	2005	2006	2007
Total waste produced ¹	5747	3314	4498
Total waste landfilled	1479	951	897
Total chemical waste ²	946	722	599
Chemical waste treated	109	34	36
Chemical waste incinerated	26	39	69
Chemical waste landfilled	29	199	112
Chemical waste recycled	781	451	382
Total solid waste ³	4801	2592	3899
Solid waste incinerated	0	0	28
Solid waste landfilled	1449	753	785
Solid waste recycled	3352	1839	3086

Notes

In the U.S., total waste, including chemical and solid waste, decreased from 2005 to 2006 partly due to the divestiture of the Semiconductor Products Group. In the U.S., total solid waste increased from 2006 to 2007 partly due to renovation/consolidation projects at the Santa Rosa, California and Loveland, Colorado, U.S. sites.

¹ Total waste produced is calculated by adding total chemical waste and total solid waste tonnage.

² Chemical waste refers to chemical materials designated for final disposition that exhibit characteristic that is hazardous or dangerous per local regulatory requirements. This refers to materials that are shipped offsite for treatment, recycling, incineration and landfill; and excludes electronic waste.

³ Solid waste refers to waste that is not included in chemical waste or excess electronic equipment (e.g. garbage/trash, paper, cardboard, glass, and furniture and construction debris).

Products and Services

Purchase Alternatives Initiative

Fiscal Year	2005	2006	2007
Refurbished products sold	3119	3164	4504
Growth/decline	-9%	1%	42%

This data includes returned products received during our fiscal year. Sources include back-off lease, trade-in, customer returns, demonstration equipment and loans. The purchase alternatives initiative is for Agilent's EMG business. Refurbished products that were sold increased by 42 percent in 2007 compared to 2006.

Social Strategy and Performance



"Agilent's values underscore everything we do. Our goal is to sustain a culture of trust, respect and teamwork. Agilent's sustainable competitive advantage is built on whom we hire, how we treat our customers, and how we continuously learn and adapt in serving our customers."

Jean Halloran, Senior Vice President,
Human Resources

As the world's premier measurement company, Agilent's goal is to leverage our robust business model to achieve sustainable growth that outpaces the growth rate of our markets. To reach this goal, we are building our leadership team and working to engage all our employees to contribute to the company's progress. We continue to honor our obligations to society by being an economic, intellectual and social asset to each nation and community in which we do business.

Social Achievements

Social achievements during 2007 included:

- Donating close to 50,000 hours of volunteer community service through the efforts of approximately 25 percent of Agilent employees worldwide;
- Supporting active community programs in 15 countries;
- Reaching over 80,000 pre-university students worldwide in Agilent's After School hands-on science program;
- Having more than 30,000 students in the U.S., China and India using the Agilent Clean Air Challenge curriculum, a science- and math-based program that primarily targets students in grades six to nine;
- Providing charitable contributions, together with the Agilent Technologies Foundation, totaling US\$6.6 million to universities, pre-university science education programs, environmental programs, and health and human services worldwide;
- Receiving a 100 percent rating, for the fourth year in a row, from the Human Rights Campaign Foundation's annual Corporate Equality Index;
- Being acknowledged as one of the Top-Ten Best Companies to work for in India;
- Being complimented as one of the "Top 50 Corporate Citizenship" companies in Taiwan by *Common Wealth* magazine; and
- Being acclaimed as a top leader (number seven) in "100 Best Corporate Citizens" list by CRO (Corporate Responsibility Officer) magazine.

Community Involvement

Agilent's worldwide community programs enrich lives around the globe through grants, employee volunteerism and community partnerships in our focus areas - science education, and health and human services. Agilent has been consciously and strongly committed to community involvement since becoming an independent company. One significant feature that differentiates Agilent is a goal of ensuring sustainable improvement in society, rather than merely providing monetary donations. Our community commitment takes several forms, such as employee giving and matching-gift donations.

Employee Giving

There is deep compassion among Agilent employees to help the most vulnerable members of their communities build a more self-sufficient future. In 2007, Agilent made its presence felt through volunteer activities, formal charity campaigns, fundraisers and collection drives for food and clothing to benefit local health and human-care organizations.

Our employees are actively encouraged to participate in their communities. Employees are encouraged not only to give money, but also time. 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. In 2007, approximately 25 percent of Agilent's employees donated close to 50,000 hours to community service.

The annual Agilent Employee Giving Campaign provides employees in the U.S., Canada, U.K. and Japan the opportunity to support United Way, or other health and human service agencies. The Agilent Technologies Foundation matches employee donations dollar-for-dollar. The fall 2007 campaign generated more than US\$1 million in employee donations. With the foundation match, approximately US\$2 million supported more than 1,000 agencies in Agilent communities. In participation - the true measure of employee support - Agilent employees maintained a 35 percent participation rate after rising 11 percent in 2006.

Agilent's University Matching Gifts Program

The Funds Matching Program is designed to encourage Agilent employee contributions to colleges and universities. This global program is an important part of the company's overall support of higher education, and recognizes the critical role of our colleges and universities in developing tomorrow's leaders. In 2007, more than US\$170,000 dollars was made available by the Agilent Technologies Foundation to match employee donations.

Science Education

Agilent supports programs that increase student interest and achievement in science, with an emphasis on reaching women and populations under-represented in the technology industry.

As an example, the Agilent After School program is a hands-on science experiment series for children ages nine to 13. The program consists of experiments in the life, physical and earth sciences, and includes support from Agilent employee volunteers as well as high-school and university science students. While this program is not intended to compete with a teacher's curriculum, it supports international, federal and state science standards. The Agilent After School program is fully funded by Agilent in communities where Agilent does business. This program also is part of the Girl Scout Patch program in the U.S., where participating Girl Scouts can earn an "Agilent Science Patch."

The Clean Air Challenge is a non-governmental and non-profit organization focused on clean air education. It provides curriculum for teachers and students that raise awareness of air pollution by focusing on topics such as smog, alternative fuel options and ground-level ozone. The program trains high school teachers on environmental topics, and provides educational resources and an international communication platform for high school environmental education. Agilent has been a major sponsor of this program since 2003, partnering with air districts on implementation in California, Colorado and Delaware in the U.S., and Beijing and Shanghai in China. In 2007, this program included India and will be further expanded in 2008.

University Relations

Agilent and our Agilent Technologies Foundation fund science and technology research by professors and students working at the forefront of electronic and bio-analytical measurement technologies. These areas are critical to the future of the high-technology industry throughout the world. Members of Agilent's technical staff actively participate as mentors contributing time and talent while strengthening relationships with partner universities.

Agilent Giving

Science education and technology research are essential to the current, future and rapidly changing global economy. During 2007, Agilent and our Agilent Technologies Foundation invested US\$6.6 million in cash and equipment to support education, health and human services, and environmental organizations worldwide.

The foundation, fully funded by Agilent, focuses on advancing pre-university science education around the world by making pre-selected, foundation-initiated grants that contribute to the educational

infrastructure of the communities and countries where Agilent has a presence. The foundation also supports promising university research in science and technology fields.

In 2008, the foundation will build on the success of its strategic pre-university programs by expanding their global reach and focusing on long-term sustainability. The foundation also will continue to fund university grants that support research in the fields of electronic and bio-analytical measurement technologies. More information about the Agilent Technologies Foundation is available at www.agilent.com/contributions/foundation.shtml.

Agilent also provides local contributions to support non-profit, non-governmental and educational organizations that focus on science education, and health and human services in communities where Agilent does business. Our contributions reinforce the company's diversity and inclusiveness objectives.

Diversity and Opportunities

Global diversity and inclusion are important components of Agilent's success. Our global competitiveness will be accomplished by capturing new knowledge and perspectives from around the world and transforming this diversity into creativity that brings innovative products and services to our global customers. We strive to create an inclusive environment that respects and celebrates unique perspectives and life experiences. 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.

Agilent is a global multinational company sensitive to the values of local communities. Our workforce is diverse and geographically distributed (41 percent in Asia Pacific, 19 percent in Europe and 40 percent in the U.S.). At Agilent, we recognize that:

- Our customers, suppliers, strategic partners and stakeholders are increasingly global and multicultural. We must be positioned to relate to them.
- Our customers are changing - their needs and expectation for products and services are diverse. We must be able to understand, connect and respond.
- Our competitive advantage is to become the leader in innovation, creativity, problem-solving and organizational flexibility. We work to address work-life balance challenges and leverage diverse perspectives, talents and teams to meet this global challenge.
- The work-force demographics are changing in most countries. The competition to attract and retain top talent is increasing. To ensure our business success, Agilent provides a competitive work

environment that enhances productivity, helps to attract and retain employees, and promotes the Agilent brand and values.

- Our global competitiveness will not be achieved merely by designing, manufacturing, marketing and selling superior products. We also invest in developing and applying excellent global people skills around the world.

In the U.S., Agilent's campus recruiting program is creating a pipeline of diverse future leaders. This is accomplished by fostering strong partnerships and sponsoring the following organizations:

- National Association of Women MBAs
- National Organization for the Professional Advancement of Black Chemists and Chemical Engineers
- National Society of Black Engineers
- Society for Advancement of Chicanos and Native Americas in Science
- Society of Women Engineers
- Vault

In 2007, in the U.S., Agilent received a perfect score from the Human Rights Campaign, an advocacy group for gay, lesbian, and bisexual and transgender individuals.

Company-Wide Activities

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.

Agilent and its employees participated in a number of activities, listings and award programs in 2007. These included:

- Sponsoring the Intel International Science and Engineering Fair where more than 1500 high school students from across the U.S. and 47 other nations competed for the "Young Scientist" scholarship, as well as other scholarships and awards;
- Strengthening our partnership with the Society of Women Engineers by sponsoring the Vitality Task Force, Collegiate Leadership Coaching Committee; and participating in the new Corporate Partnership Council, and the Career Guidance Committee and Fair;
- Supporting the Agilent Engineering and Technology Awards in India. The program invites engineering students from over 50

leading engineering colleges to submit innovative engineering projects in electronics and communications engineering, or life sciences;

- Organizing global events in support of Introduce a Girl to Engineering program, as part of the National Engineers Week. More than 150 Agilent employees participated in events in China, Japan, India and the U.S.;
- Donating US\$204,275 in diversity-related grants to non-profit educational and community organizations through Agilent and our foundation; and
- Serving as key sponsor of or participant in local activities in support of diverse communities:
 - Mobile science programs, Science on Wheels and EcoDrive, that extend science and environmental education to the rural population (southern India)
 - QUEST, a teacher-training program that improves the skills of teachers in government schools (India)
 - Must Know Computers, Government Girls Senior Secondary School (Gurgaon, India)
 - Joint communication-technology laboratories with Tsinghua University and Southeast University (Beijing and Nanjing, China)
 - Eden Handicap Center (Penang, Malaysia)
 - A young-women engineer outreach program for pre-college students (Malaysia)
 - Agilent Malaysia Innovator Awards that enrich the physically-challenged community (Malaysia)
 - Lesbian, Gay, Bisexual and Transgender Pride Celebration (Colorado and California, U.S.)
 - 2007 Out and Equal Workplace Summit (Chicago, U.S.)
 - A mobile biology laboratory that brings biological experiments to high school students from underserved schools and communities through a partnership with the Schmahl Science Workshop (California, U.S.)
 - Girls Exploring Science, Engineering and Technology (Colorado, U.S.)

Supplier Diversity Program

Diversity in the supply chain is a fundamental business strategy for Agilent. Through our Supplier Diversity program, Agilent responds to key customer requirements and creates opportunities for successful partnerships with diverse and small businesses. Based on benchmarking results among our competitors in the U.S., our Supplier Diversity program is best-in-class.

During 2007, the program addressed a priority to increase Agilent's customer satisfaction around supplier diversity results. In 2008, we

will continue to identify and grow opportunities for small and diverse suppliers, as well as expand distributor and channel-partner programs that resale Agilent products.

Employment

Hiring top talent around the globe helps to ensure that Agilent maintains its leadership as the world's premier measurement company. To attract this talent, Agilent provides everything from forward-thinking workplace design to community involvement to total compensation packages that rank with the leaders in the high-technology industry.

Our employment focus continues to be:

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

We continue to attract the best employees, with a job acceptance rate of approximately 90 percent. We have made substantial changes to the executive leadership team to ensure that our leaders are able to make the tough decisions about where to focus our resources. Leaders are building Agilent's organizational capability and aligning their teams with clear, measurable objectives on which they can deliver and for which they will be held accountable.

Campus Recruiting

A key priority for Agilent is our campus recruiting program. Agilent's recruiting efforts on campus are critical for the company's long-term success. There is intense global competition for the top talent we need to fuel our growth. Agilent's campus recruiting program focuses on 17 schools in the United States, 24 in Asia, and seven in the United Kingdom and Germany. During 2007, Agilent hired approximately 400 people from colleges and universities, comprising 41 percent of the company's total new hires and approximately 40 percent more than in 2006. Our efforts include building and maintaining strong relationships with faculty members as well as participating in on-campus recruiting fairs, information sessions and interviews. The ultimate goal is to lead diverse soon-to-be graduates to accept an Agilent job offer.

A crucial component of campus recruiting is Agilent's internship program. In fiscal year 2007, Agilent hired approximately 425 interns globally, 48 percent of whom became full-time employees upon degree

completion. The intern program is a win-win for the company and the students.

Leadership Audit and Employee Survey

Agilent's 2007 Quarterly Leadership Audit process focused on “speed to opportunity” - being decisive and acting quickly to address concerns and unmet needs of customers. The Leadership Audit asked our employees to measure quarterly progress in each of three key dimensions of speed to opportunity: customer orientation; speed and decisiveness; and engagement. During the course of 2007, the Audit indicated a 9-point improvement in the customer orientation index and 4-point and 3-point improvements in the remaining two indices, respectively.

In addition to the Quarterly Leadership Audit, Agilent conducts an annual Agilent Employee Survey. Approximately 78 percent of Agilent's employees completed the Employee Survey in 2007, with an average 5-point improvement in overall scores. Survey results were distributed to executives and senior managers who are held accountable for focusing on the critical few leadership and culture themes needing greatest improvement. Progress will be assessed by employees via the 2008 Quarterly Leadership Audit. Overall progress on leadership and culture, including employee engagement, will be measured again in the 2008 Employee Survey.

Work-Life Balance

Agilent provides a broad range of programs and activities to help employees manage commitments in their work and personal life. A variety of tools and services are available that are designed to help employees save time, energy and stress. By offering programs that address a broad range of needs, Agilent hopes to provide employees with the flexibility and opportunity to use services and solutions that meet their preferences.

Programs include:

- Flexible-work arrangements - alternatives to traditional Monday-through-Friday work arrangements include part time, telecommuting, job shares and variable work schedules.
- Flexibility practices - Agilent's flexible time-off program lets employees use paid time-off for rest and recreation, vacation, personal business, personal illness or illness of family members.
- Reinventing work - this program helps work teams examine work processes with a work-life focus.
- Dependent-care resource and referral - Agilent provides a variety of resource and referral services for employees who have

dependent-care responsibilities for children, elders, people with disabilities and others.

- Working-parent network - Agilent supports a variety of working-parent networks in which employees share resources, tools and other services.
- Mother's room - some Agilent facilities offer a mother's room to support new moms returning to work and the nursing needs of their babies.
- Quiet room - some Agilent facilities offer a quiet room to support employees who need a break, respite or quiet time.

Wages and Benefits

Our compensation and benefits packages include competitive pay, opportunities for bonuses and equity, and benefits ranging from length-of-service awards to health care and retirement programs. For example, we offer a company-performance-based Agilent Results Bonus program, Individual Performance 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 decisions 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, profit and Return on Investment Capital (ROIC) 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 available on our Investor Overview webpage at www.agilent.com/go/investor.

Employees Covered by Collective Bargaining Agreements

In the U.S., no Agilent employees are represented by collective bargaining agreements in negotiations with Agilent.

Training and Education

Our Global Learning and Leadership Development organization is chartered to accelerate and deepen the development of successful leaders who drive our business strategies and culture. We are committed to providing a curriculum where high-impact, business-results-driven development solutions are delivered worldwide at every transition in the leadership pipeline.

Programs include:

- Orientation - newly-hired employees receive an introduction to Agilent's strategies, values and practices.
- Managing at Agilent - those new to management attend a program focused on key people management practices and leadership skills.
- Accelerated leadership development - our multi-month programs prepare participants for their next level of responsibility.
- Middle-manager program - all middle managers attend a program focused on creating organizational alignment to strategic intent and enhancing skills to execute and achieve results.
- Leadership action series - managers are invited to periodic web casts on relevant Agilent leadership topics.
- Executive/senior manager program - an intensive program to confirm executive responsibilities and to build skills that clarify strategic intent, drive business results, build organizational capability and understand customer economics.

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. Two new programs piloted in 2007, to be delivered in 2008, are our first-level manager program addressing the skills required to lead in a global economy and an employee program focused on aligning individual goals to business goals.

To encourage learning occurring anywhere, anytime for our globally-distributed workforce, we continue to make available self-paced e-learning 24 hours a day/seven days a week. In 2007, approximately 64 percent of employees took advantage of this capability. Two of the major development programs offered via self-paced e-learning are our beQuality series focusing on Six Sigma methods and our Business Acumen series.

Employee Development at Agilent

Agilent is committed to an environment where employees can expand their knowledge, develop new skills and contribute their best work.

Key elements of Agilent's employee development policy are:

- Employee development is a collaborative process between a manager and an employee.
- Agilent managers are accountable for assessing employee performance on behalf of the company and supporting the development of employees over time.
- Employees should engage in quarterly performance discussions with their managers to understand what is expected and how their actual results are being assessed relative to those expectations.

Studies show that the most effective development occurs when learning is applied to real business problems, on the job. Agilent offers an online development planning center that can help employees create a development plan that suits their job, interests and aspirations. Employees are encouraged to learn and challenge themselves in the context of their current jobs. Approximately 100 percent of employees receive annual performance and career development reviews.

Health and Safety

Agilent's Occupational Health and Safety 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.

Along with our company-wide programs, Agilent's 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 overall site-safety performance.

A global EHS training program enables our employees to stay informed regarding current issues for maintaining a healthy and safe work environment. At some locations in the U.S., Agilent offers health-wellness initiatives on breast-cancer awareness, smoking cessation, nutrition and fitness.

Health and Safety Highlights and 2008 Objectives

In the last six years, from 2002 to 2007, Agilent reduced both the lost-workday case rate and recordable injury/illness rate by more than 50 percent.

During fiscal year 2007, Agilent:

- Improved the response process for customers who are requesting that Agilent employees work in potentially higher-risk customer locations, and decreased potential risks to Agilent employees when working at these locations; and
- Implemented a global ergonomic evaluation and training system that reduced ergonomic risk in the office population by approximately 70%.

Some of Agilent's health and safety objectives for fiscal year 2008 are to:

- Continue to address opportunities identified in 2007 for improving the EHS training program, including data management and reporting;
- Continue to reduce ergonomic risk by increased participation in the ergonomic evaluation and training system implemented in 2007; and
- Reduce EHS risks due to outsourced contractor activities by ensuring agreements with potentially high EHS-impact contractors contain appropriate contractor EHS requirements.

Human Rights

Strong ethics have always been an important part of the Agilent way of doing business and human rights are certainly no exception. Agilent's core values and culture reflect a commitment to ethical business practices and good corporate citizenship. Our policies and practices require Agilent to conduct our business with uncompromising integrity and to promote human rights within the company's sphere of influence.

Human Rights and Labor Policy

Agilent acknowledges and respects the fundamental principles contained in the Universal Declaration of Human Rights. The Agilent Human Rights and Labor Policy addresses:

- Freely-chosen employment
- No child labor
- Minimum wages
- Working hours
- No discrimination
- No harsh or inhumane treatment
- Freedom of association
- Ethical business conduct

In addition, the Agilent Supplier ESR Code of Conduct incorporates eight 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.

Standards of Business Conduct

Integrity and honest dealings are central to how we conduct business. Agilent's Standards of Business Conduct is a guide to ethical and legal responsibilities with respect to an employee's status, as well as employee dealings with our customers, competitors and suppliers. Agilent's Standards of Business Conduct states that 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.

The Agilent Human Rights and Labor Policy, and the Standards of Business Conduct are available on our Corporate Governance, Governance Policies webpage that is linked from the Investor Relations webpage at www.agilent.com/go/investor.

Social Performance Data

Community Investment

Worldwide Community Investment (Million US\$)	2005	2006	2007
Education	1.7	4.8	5.4
Environment	0.2	0.2	0.1
Health and Human Services	0.3	1.4	1.1
Other	10.0	0.0	0.0
Total	12.2	6.4	6.6

Discussion

The 2006 and 2007 numbers include both Agilent Technologies and the Agilent Technologies Foundation philanthropic giving.

In 2007, Agilent and the Agilent Technologies Foundation provided \$US2.5M in pre-university science education grants reaching more than 6,800 educators and 345,000 students worldwide. In addition, US\$2.9 million in university grants supported science and technology research by professors and students working at the forefront of electronic and bio-analytical measurement technologies.

In 2005, "Other" includes Agilent Technologies grant of \$10M to the Agilent Technologies Foundation.

Diversity

Worldwide Diversity (Gender%)	2005 male/female	2006 male/female	2007 male/female
All Employees	59.8 / 40.2	65.7 / 34.3	65.5 / 34.5
Executives and Senior Management	78.9 / 21.1	77.9 / 22.1	77.8 / 22.2

Information on Agilent's Board of Directors is available on our Investor Relations webpage at www.agilent.com/go/investor under Corporate Governance.

Employment

Worldwide Employees	2005	2006	2007
Asia Pacific	12100	7500	7800
Europe	4700	3700	3600
U.S.	10700	7500	7600
Total	27500	18700	19000

Employment Creation	2005	2006	2007
Regular Employment	2166	2469	2758
Internal Temporary Workers	709	378	443
Total	2875	2847	3201

Employment Turnover	2005	2006	2007
Number (regular employees exits)	2783	3243	2105
Turnover Rate (regular employees)	9.9%	17.3%	11.1%

Regional breakdown

Asia Pacific

Employment Creation	2005	2006	2007
Regular Employment	1410	1684	1486
Internal Temporary Workers	421	149	174
Total	1831	1833	1660

Employment Turnover	2005	2006	2007
Number (regular employees exits)	1173	954	887
Turnover Rate (regular employees)	9.9%	13.7%	11.3%

Europe

Employment Creation	2005	2006	2007
Regular Employment	206	203	352
Internal Temporary Workers	165	127	157
Total	371	330	509

Employment Turnover	2005	2006	2007
Number (regular employees exits)	341	615	401
Turnover Rate (regular employees)	7.1%	16.1%	11.0%

U.S.

Employment Creation	2005	2006	2007
Regular Employment	531	582	920
Internal Temporary Workers	123	102	112
Total	654	684	1032

Employment Turnover	2005	2006	2007
Number (regular employees exits)	1240	1674	817
Turnover Rate (regular employees)	10.8%	21.0%	10.8%

Worldwide

Total Benefits and Wages (US\$)	2005	2006	2007
Base compensation and benefits	2,296,953,600	1,930,354,500	1,730,381,500
Overtime	20,975,000	18,011,100	17,572,300
Commissions	58,255,900	59,537,200	70,670,100
Total	2,376,184,500	2,007,902,800	1,818,623,900

Health and Safety**Worldwide**

Health and Safety	2005	2006	2007
Total recordable injury/illness cases	171	113	93
Injury/illness rate	0.6	0.55	0.49
Total lost-workday cases	43	26	18
Lost-workday case rate	0.15	0.12	0.09

Notes

During the last year, our company-wide injury/illness rate was reduced approximately 10 percent from fiscal year 2006. We also experienced a 25 percent reduction in the lost-workday case rate from 0.12 in 2006 to 0.09 in 2007.

"Lost-workday" case rate is the same as a "days-away" case rate.

Definitions

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

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 (normalized annual hours worked by 100 full time employees) 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:

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

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 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 there was one lost-workday injury/illness case in a quarter and 50,000 hours worked, then the calculation would be:

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

The About Our Data section in Appendix I provides more information on data collection.

Financial Performance



"Researchers at Agilent Laboratories are innovating across multiple technology disciplines, leveraging ideas and talent to gain future competitive advantage for Agilent and enable global sustainability solutions at the same time."

Darlene Solomon, Chief Technology Officer
and Vice President, Agilent Laboratories

Fiscal year 2007 was a strong and successful year for Agilent, with annual revenue growth of 9 percent over the previous year. Annual gains in earnings per share, cash from continuing operations and return on invested capital were up appreciably, reflecting the discipline of the operating model that we have created.

Agilent's business model is designed to deliver greater-than-industry-average revenue growth and return on invested capital. Our cost structure now has the built-in flexibility to deliver solid performance and remain cash-flow positive throughout any part of the economic cycle. Furthermore, we have metrics and incentives in place to align our employees' priorities with those of our shareholders.

Agilent's financial performance and data are available on our Investor Overview webpage at www.agilent.com/go/investor.

Appendix I



"Careful consideration of potential environmental and social impact is an integral part of our business decision making. Leaders in our company continually demonstrate ongoing commitment to global corporate responsibility."

Craig Nordlund, Senior Vice President, General Counsel and Secretary

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 2007. Some of the data is reported for our fiscal year 2007 (November 1, 2006 to October 31, 2007) and is marked as such. The data is recorded on a company-wide basis unless otherwise indicated. The data does not include Agilent's suppliers.

We continue to evaluate and leverage opportunities to improve our data collection. We collate and evaluate our environmental data in an online data tool that assists in the collection and review processes. 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 global operations (including manufacturing and field sites). The environmental data for 2007 covers the following locations (includes manufacturing sites and sites greater than 200,000 square feet):

Americas

U.S. Colorado Springs, Colorado
 Folsom, California
 Loveland, Colorado
 Newport, Delaware
 Santa Clara, California
 Santa Rosa, California
 Spokane, Washington
 Wilmington (Little Falls), Delaware

Europe

Germany Boeblingen
 Waldbronn

U.K. South Queensferry

Asia Pacific

China Shanghai
Japan Hachioji
Malaysia Penang
Singapore Yishun

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.

External Reporting Standard

We considered the 2006 Global Reporting Initiative (GRI) Sustainability Reporting Guidelines v3.0 (G3) available at www.globalreporting.org when developing this report. We self-declare this report aligning with GRI Application Level C.

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, in the Annual Report, our Form 10-K and the Proxy Statement.

Agilent has reported annually on environmental and social performance against the GRI for the past seven 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 U.S. Securities and Exchange Commission, privacy rights, litigation or emissions reporting restrictions. Agilent's financial performance is available on our Investor Overview webpage at www.agilent.com/go/investor.

Contact Us

Agilent Technologies, Inc
5301 Stevens Creek Blvd
Santa Clara, CA 95051
United States
www.agilent.com

As a stakeholder, your input is valuable. If you have comments or questions about our Environment and Social Responsibility Report, please submit them via www.agilent.com/go/contactus or call (+1) 877 424 4536.

Photography

Photographs in this 2007 Agilent Environment and Social Responsibility Report are provided by the following Agilent employees, originally selected as winners in the Agilent Eye Photo Contest.

Front Cover:

John Bockman, U.S.

"Spider web draped in water droplets"

John Guilford, U.S.

"A dandelion in my backyard"

Alisdair Gurney, Scotland

"Lunar eclipse on March 3, 2007"

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Joel Woodward, U.S.

"Team building activity with a youth group"

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William Ewy, Hong Kong

"Crested Bulbul enjoying a coral tree flower"

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Joel Woodward, U.S.

"A squirrel with drops of melted snow on his fur."

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Lee San Chung, Malaysia

"A Balinese family on their way to a prayer ceremony"

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Gary Hughes, U.S.

"Sea nettle jellyfish"

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Jessie Leong, Singapore

"A child in a misty morning market in the highlands of Bali"

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Rodel Miguel, Singapore

"Children on a beach in the Philippines"

Appendix II



"Not only is leadership from the top essential to help resolve the risks and threats to the sustainability of our environment, social relations and economies - the concepts of sustainability must be integrated into core business practices and understood across the global organization."

Mark Oman, Vice President and General Manager, Sourcing, Contracts and Quality

Glossary and Acronyms

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

Aspect, significant aspect (EHS) An environmental or occupational health and safety aspect is an element of an organization's activities, products or services that can interact with the environment or has an impact on the health and safety of the organization's employees. A significant environmental, health and safety aspect is one that has or can have a significant environmental, health and safety impact.

BS 7750 British Standard 7750, the precursor to ISO 14001.

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

CO₂ Carbon dioxide. A gaseous by-product of energy generation and energy use that is known to contribute to global warming.

EHS Environmental, health and safety.

EHSMS Environmental, health and safety management system.

EMG Electronic Measurement Group, an Agilent business.

EPA U.S. Environmental Protection Agency.

ESR Environmental and Social Responsibility.

E.U. European Union.

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

GHG Greenhouse gas. For the purpose of this report, GHGs are the six gases listed in the Kyoto Protocol: carbon dioxide (CO₂); methane (CH₄); nitrous oxide (N₂O); hydrofluorocarbons (HFCs); perfluorocarbons (PFCs); and sulphur hexafluoride (SF₆).

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 www.globalreporting.org.

GSE Agilent General Specification for the Environment at www.agilent.com/environment/GSE.pdf. Agilent's general requirements for restricting or prohibiting certain substances in products manufactured for or delivered to Agilent.

ILO International Labour Organization. For more information go to www.ilo.org/global/index.htm.

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:

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

ISO 14001 An international standard issued by the International Organization for Standardization (ISO) relating to environmental management systems.

Kiloton 1 kiloton = 1,000 metric tons. 1 kiloton = 1,000,000 kilograms.

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 (Bio-Analytical Measurement), an Agilent business.

MBA Master of Business Administration (degree).

Megawatt hour 1 megawatt hour = 1,000 kilowatt hours.

OHSAS 18001 International occupational health and safety management system specification.

Ozone-depleting substances For a complete list of chemicals, refer to the Agilent General Specification for the Environment at <http://www.agilent.com/environment/GSE.pdf>. Typical industry uses are as a coolant, propellant, or refrigerant.

QUEST Quality Science Education and Teachers Training.

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).

ROIC Return on investment capital. A calculation used to assess a company's potential to be a quality investment.

U.K. United Kingdom.

U.S. United States of America.

US-ASEAN United States - Association of Southeast Asian Nations (Business Council).

US\$ U.S. dollars, the currency of the United States of America

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