Agilent Environment and
Social Responsibility Report

2006

Agilent Technologies

2006 was a successful year of transformation for Agilent. With the final separations of both Avago Technologies and Verigy, we have completed our shift to a focused, pure-play measurement company. Going forward, our goal is to leverage the business model we have put in place to achieve sustainable, profitable growth.

Agilent's environmental and social responsibility activities directly support this goal. As Agilent embraces opportunities and manages risks generated by economic, environmental and social developments, we are maintaining our commitment to strong corporate citizenship. The Agilent Environment and Social Responsibility Report describes our strategies, priorities and progress in this process.

Highlights of fiscal 2006 are:
- Supporting active community programs in 15 countries, where approximately 20 percent of our employees donated close to 30,000 hours to community service;
- Reaching 275,000 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. and China learned about environmental science from our Agilent Clean Air Challenge curriculum;
- Reducing our worldwide energy usage for the sixth year in a row. Targeted energy-efficiency projects and operational improvements implemented in 2006 resulted in 2.7 percent energy conservation, a significant contribution to reducing greenhouse gases;
- Being recognized as one of the "Global 100 Most Sustainable Corporations in the World", announced during the 2006 World Economic Forum in Davos, Switzerland;
- Being named number five on "100 Best Corporate Citizens" list (*Business Ethics* magazine) and included on the "Best Corporate Citizenship" list (*CommonWealth* magazine) in 2006; and
- Continuing to help keep the world's food, water, and air clean and safe with our products and services.

At Agilent, we consider sustainable growth a business imperative. As the world's premier measurement company, we recognize that the path to a sustainable future includes protecting the environment and being a responsible corporate citizen.

Bill Sullivan
President and Chief Executive Officer
March 2007

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Overview

This report describes Agilent Technologies' relationships with the environment and society. It presents our objectives, strategies, results, challenges and plans for improvement, and discusses our areas of special interest and progress. The report includes information on Agilent's 2006 environmental and social performance.

This is the seventh Environment and Social Responsibility Report that Agilent has produced. Our 2005 report was published in March 2006, and updated in May 2006. Agilent prepared this report using the 2002 Global Reporting Initiative (GRI) Guidelines available at www.globalreporting.org. We also considered the 2006 GRI Sustainability Reporting Guidelines v3.0 (G3) when developing this report, and are planning to transition to using them in our 2007 report. We have continued to improve the report this year by adding more information on our plans going forward.

If you have comments about this report or our environmental or social performance, please submit them via www.agilent.com/go/contactus.

Vision

Agilent is the world's premier measurement company, providing the critical tools and technologies that sense, measure and interpret the physical and biological world. No other company can offer the breadth and depth of tools and expertise to be the measurement solutions partner to every engineer, service provider and scientist in the electronics and bio-analytical markets.

With the final separations of both Avago Technologies and Verigy, we have completed our transformation to a pure-play measurement company. Now that our financial operating model is in place, in Phase II of the new Agilent, we are focused on customers, employees and growth. Our strategic priorities are to:

- Build long-term partnerships with our customers by providing the highest quality products, support and services
- Create a culture of people that thrive in a high-performance, results-oriented company based on a foundation of uncompromising integrity, speed and innovation
- Create long-term shareholder value through superior return on invested capital and above market growth

These priorities, together with Agilent's strategic growth initiatives and focus on core company objectives and values, will help us achieve success with our customers, shareholders, employees and communities.

Strategic Growth Initiatives
One of Agilent's Phase II goals is to create higher, sustainable and profitable growth. A short list of these opportunities has been specially earmarked as Agilent's Ten Strategic Growth Initiatives. These initiatives will be the focus of management reviews, research and development resources, and merger and acquisition opportunities during the coming year.

Objectives

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

Our Objectives

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

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

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

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

Values

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

Our philosophy is that we have responsibilities beyond shareholder profit; we are responsible to our employees, customers, vendors and communities. The communities where we are based should benefit from our contributions of time, expertise, technology and money.

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

Company Profile

Agilent's profile is available on our external webpage at www.agilent.com/about.

Management

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

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

We manage environmental, health and safety issues using a structure that involves several departments:

- Agilent Customer and Quality, and Workplace Services jointly provide leadership.
- Agilent Customer and Quality reports into Agilent's Chief Executive Officer.
- Workplace Services reports into Agilent's Chief Financial Officer.

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.

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 - transferring personal data only to third parties who have agreed to abide by Agilent privacy standards
- Access and accuracy - giving individuals access to their data to ensure accuracy
- Security - keeping personal data secure
- Oversight and enforcement - Agilent participates in the Better Business Bureau OnLine Seal program and certifies annually under the 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; and we encourage communication between Agilent managers and public officials. 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:

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

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 System and Standards

Agilent's management system is central to our strategy for developing 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) programs and policies. 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. More information is available on Agilent's ISO 14001 and EHS Management System web page at www.agilent.com/environment/environment2.shtml.

ISO 14001

The sections of our EHSMS that address the environment meet the requirements of ISO 14001, an international standard for environmental management systems. Agilent achieved its first registration to 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. 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 aligns with 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 is aligned with OHSAS 18001.

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 the objectives and targets, the significant aspects are considered alongside 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 2007 are:
- Chemical use, handling and storage
- Contractor activities
- Energy use
- Force, frequency and posture (ergonomics)
- Material selection
- Material use
- Packaging
- Solid waste generation
- Emergency preparedness and response

Agilent has controls in place to manage risks in these areas. In 2006, we improved the aspect process by identifying significant aspects associated with the management of our suppliers.

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 has implemented product lifecycle processes that include provisions for product and quality sign-offs prior to product releases. Individuals on the product development team are identified as responsible for confirming the product's conformance to legal and Agilent-specific standards, and for ensuring that environmental goals have been met.

Regulatory Compliance

During fiscal year 2006, 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 part of our responsibilities to customers. We also make certain that customers have easy access to the information they want or need about 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

Agilent's relationships with suppliers are of strategic importance. We inform our suppliers, partners and contractors of our expectations, and encourage 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 www.agilent.com/environment/env_expectations.shtml.

Agilent Procurement Training

In 2006, we completed a priority to engage Agilent's procurement professionals to use tools that were developed to inform Agilent's suppliers of our ESR expectations. This was accomplished by exceeding our objective to train 80 percent of Agilent's procurement professionals who select and manage suppliers. The course covered topics including the Agilent Supplier ESR Code of Conduct, supply agreements, the Agilent General Specification for the Environment and supplier performance measurement.

Supplier Environmental and Social Responsibility Risk Evaluation
Agilent implements a 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 Social Responsibility 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 2006, 100 percent of the suppliers requiring corrective actions, based on the Surveys, completed the requirements or were on schedule per their corrective action plans. We are receiving positive feedback from the surveyed suppliers regarding this process. In 2007, we are continuing to improve our program by addressing potential ESR risk and conducting surveys on suppliers used by Agilent's company-wide strategic contract manufacturers.

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 social risks. We establish EHS requirements for suppliers in these areas through our contracts with them.

Engagement We engage with our stakeholders in many ways. When appropriate, we consult and collaborate with them on issues of mutual importance. During business planning, Agilent considers external charters, principles and guidelines. We also participate in a variety of intra- and cross-industry forums to address emerging issues, develop industry-wide approaches to social and environmental challenges, and cooperate with governments, non-governmental organizations and other stakeholders on common concerns.

Stakeholder Engagement
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 provide continual updates to our management;
  • Our Agilent Market Survey provides a measure of Agilent's customers' loyalty compared to our competitors' customers' loyalty. The results are used to identify opportunities for growth and areas where additional business investments are warranted. Recent results from this survey show that Agilent has the highest customer loyalty in the market. Agilent is associated with trust, safety and success due to its heritage, breadth of products and long-standing reputation;

- We conduct an annual survey on the current picture of employee perceptions of Agilent management practices and leadership. The survey was last conducted in July/August 2006. Highlights of the results are discussed in the Employment section of this report;
- 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 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; and
- 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 combine to provide Agilent with information to help improve our economic, environmental and social performance. For example, Agilent Customer and Quality reviews 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, programs and principles that were considered by Agilent in developing our EHSMS, position statements, reporting structures and Supplier ESR Code of Conduct are:

- ISO 14001:2004 - international standard for environmental management systems
- OHSAS 18001:1999 - standard for occupational health and safety management systems
- Global Reporting Initiative - 2002 and 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 International Labour Organization

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 the American Electronics Association, European Union Committee of the American Chamber of Commerce, Japan Electric Measuring Instruments Manufacturers Association, National Electronics Manufacturing Initiative, Silicon Valley Leadership Group and US-ASEAN Business Council.

Data Privacy

A major part of protecting an individual's privacy is to treat their personal information (name, address, e-mail address, phone, etc.) 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 enhancements. 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 2006, there were 14 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$)
2004	23	500
2005	25	0
2006	14	0

Fiscal year 2006	Asia Pacific	Europe	U.S.
Alleged EHS violations	2	0	12

Discussion

For fiscal year 2006, the alleged violations were minor and no fines were issued. Alleged violations have been taken seriously and corrective actions implemented. The decrease in alleged violations in 2006 is primarily related to the divesture of the Semiconductor Products Group (Avago Technologies) sites.

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

Our governance policies are discussed in detail on our 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 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.

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 citizenship performance has resulted in Agilent's inclusion in socially responsible investment indices. For the sixth consecutive year, in 2006, 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

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, suppliers, products and services on the environment, and at a local level to care for the areas that surround our sites. Agilent also is aware that efficient use of resources benefits our business, our stakeholders and the environment.

Environmental Achievements
Environmental achievements during 2006 included:
- Establishing a data-management system to advance our ability to accurately report and responsibly manage the material content of our products;
- Reducing our worldwide energy usage for the sixth year in a row. Targeted energy-efficiency projects and operational improvements implemented in 2006 resulted in 2.7 percent energy conservation, a significant contribution to reducing greenhouse gases;
- Increasing our green-energy procurement from 0.4 percent in 2005 to 4.9 percent in 2006;
- Implementing a green-cleaning program that reduces the use of hazardous materials at manufacturing sites in the U.S.; and
- Introducing new products designed specifically for environmental testing. Examples included the 1200 Series high-pressure liquid chromatograph and 6410 triple-quadrupole mass spectrometer for liquid chromatography.

Materials

Making efficient use of our resources benefits our business, our stakeholders and the environment. Agilent monitors and controls our resource use through:
- An infrastructure to monitor product-material content;
- Programs to track new and emerging global materials restrictions, regulations and requirements;
- Product stewardship teams within each of our businesses that seek ways to improve resource use in product design and manufacturing;
- Packaging alternatives that reduce environmental impacts; and
- Recycling, remarketing and refurbishment programs.

To reduce and eliminate the use of restricted materials in our products, we need to continue to understand the issues. In 2006, we utilized Agilent's Restricted Materials (ARM) database to track use of restricted substances in our purchased materials. Our PLANet system, utilizing data from ARM, enables us to track and report restricted materials at our product level.

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

Several factors are driving this change. In 2003, the European Union (E.U.) issued two directives affecting the electronics industry. The first, the E.U. Restriction of Hazardous Substances (RoHS) Directive, bans the use of heavy metals and two classes of brominated fire retardants in specific categories of electrical and electronic products. The second, the E.U. Waste Electrical and Electronic Equipment (WEEE) Directive, holds manufacturers responsible for ensuring that systems exist to collect and manage electrical and electronic products at the end of their useful lives through recycling and environmentally-sound

disposal. Similar regulations are underway in numerous regions globally. Agilent is committed to ensuring our continued proactive engagement in these quickly-emerging regulations.

Even though Agilent's products are currently "out of scope" from the E.U. RoHS Directive, we share our supply base with products that are "in scope". Because of this, Agilent works across our supply chain to define needs and solutions for reducing and eliminating hazardous substances. Where technically feasible, Agilent continues to proactively eliminate hazardous 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.

Lead-Free Initiative
Lead is used widely in electronics for applications including solder and component termination finishes. In cooperation with the International National Electronics Manufacturing Initiative (iNEMI), 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 alternatives for high-reliability products.

Tracking and Reporting
Our suppliers who provide materials that go directly to build Agilent products are subject to our General Specification for the Environment (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 hazardous substances in our products. Agilent is making good progress on data systems and processes to track and control restricted-material substances in our products.

Looking Ahead
Eliminating hazardous 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 our customers need. Establishing robust systems for tracking and reporting the use of hazardous substances will play an important role in supporting this cooperation and in pointing to opportunities for eco-design.

Energy

Energy Use in Operations

During 2006, Agilent reduced our worldwide energy (electricity and natural gas) usage for the sixth year in a row. Targeted energy-efficiency projects and operational improvements implemented in 2006 resulted in 2.7 percent energy conservation, 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.

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

- Reducing electricity usage at our Folsom, California, U.S. site with a high-efficiency membrane roof. On an 84-degree Fahrenheit day, the classic grey-roof temperature was 156 degrees; on the new roof, it was 101 degrees, which means the air conditioner was not working as hard;
- Exceeding California and U.S. Federal standards for energy efficiency by almost 20 percent during renovation of Agilent's headquarters in Santa Clara, California, U.S;
- Conducting an energy audit at Agilent's Loveland, Colorado, U.S. site, with the local utility company and the city in Loveland, to identify future opportunities to save energy;
- Completing several energy 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 automatic-lighting controls in the restrooms and improved insulation by replacing more than 60 broken window seals. Going forward, Little Falls is planning a comprehensive lighting retrofit, exhaust fan and ductwork update, and a second round of rooftop-unit replacements; and
- Tackling a significant issue in Asia where Agilent sites are trying to achieve continuous improvement in energy performance while supporting high growth. The design of our new Beijing, China campus incorporates key energy-saving principles. An under-floor air-distribution system; efficient and controllable lighting; a blend of concrete and glass-curtain walls and energy-measurement systems all contribute to significantly lower energy use. In addition, state-of-the-art automation makes continuous adjustments that keep the work-environment comfortable while saving energy.

2007 Plans for Reducing Use

As we move into fiscal year 2007, we have set a goal of 2 percent energy conservation at our manufacturing sites. During 2007, 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; and
- Partnering with our facility-management company to continue to reduce energy use at our facilities by implementing operational and capital-improvement projects.

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 2006, Agilent used the WebEx© meeting manager tool to conduct over 5,500 remote meetings per month. Agilent believes that use of these remote meeting tools helps to reduce our air and ground travel.

In 2006, Agilent committed to testing hybrid-fleet vehicles at our large U.S. sites during 2007. Based on the results, Agilent will consider more extensive use of hybrid-fleet vehicles in future years.

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 the commute subsidies are our offices in 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 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

We are committed to water conservation and water-management projects worldwide because they continue to provide environmental benefits. With the divestiture of the Semiconductor Products Group, Agilent's water use has been reduced significantly and now is primarily due to day-to-day building operations.

An example of Agilent's commitment to water conservation is our award-winning water-treatment system at the Santa Rosa, California, U.S. site, which is considered to be best-in-class. Water reclaimed from the treatment of process water is recycled in the site's water-treatment system, providing an average 34 percent of the site's total water use for irrigation, fume scrubbers, cooling towers and treatment processes. In addition, the site's water-treatment system department collaborates with the California Sonoma State University's Environmental Studies Department.

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. For example, to coincide with Earth Day on April 22, 2006, Agilent employees worldwide volunteered during the week to improve the environment in their local communities.

Examples of activities during this week included:
- Participating in various environmental sustainability programs in Japan, where Agilent employees, their families and city residents were involved in an ISO 14001 environmental education program; a one-day no-car challenge, where employees were encouraged to take public transportation; and an environmental analysis seminar with water-testing demonstrations by Agilent. The week-long activities culminated with a tree-planting ceremony at Mount Takao near the Hachioji site;
- Raising awareness, with the support of Agilent's management, around the objective to reduce waste at the Penang, Malaysia site. Both Agilent employees, as well as their children, participated in various activities such as a tree-planting ceremony, nature-art competition for children, tele-match fund raising, and a local environmental clean-up effort;
- Celebrating Earth Day with presentations on home-solar installation and green-building design at our Santa Rosa, California, U.S. site. Booths provided information on transportation alternatives, home improvement, public utilities, alternative-fuel automobiles, gardening and education. The week-long activities ended with a coastal clean-up at Bodega Bay, where Agilent employees helped on beach clean-up efforts; and

- Incorporating science education, community outreach, volunteerism and sustainability into Earth Day by Agilent employees in Santa Clara, California, U.S. Approximately 50 students from four local high schools were invited to the site and participated in a Student's Recycling Used Technology (StRUT) competition, biotechnology presentations and a tour of site. Home electronics recycling occurred, during which employees had opportunities to bring their personal-used electronics from home to the site for proper recycling and disposal.

Our commitment to biodiversity is further exhibited by an Agilent site under development in Manesar, India, where the future of environmentally-friendly design is taking shape. The architect's approach includes lighting and air conditioning that are personalized to the user, as well as roofs that produce heating, cooling, electricity, water and food at the same time as they provide leisure. The site will implement what the architect calls an extremely low energy, hybrid air-conditioning system. The building will run on natural gas and will not be connected to the state's electricity grid; hot water will be provided by solar power with gas backup.

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.

CO_2 Emissions from Energy Use

Carbon-dioxide (CO_2) air emissions are a leading contributor to global warming. Agilent's CO_2 air emissions are associated with indirect sources. Some of Agilent's indirect impacts are described here.

CO_2 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 CO_2 emissions associated with energy use through a variety of conservation means as indicated in the previous Energy section.

In 2006, we purchased approximately 1.43 million gigajoules of electricity and natural gas for our manufacturing sites. After converting energy use to CO_2 emissions and subtracting the CO_2 emissions avoided by our green-energy procurement, Agilent emitted approximately 147 metric kilotons of CO_2 to the atmosphere.

Reducing CO_2 Emissions
Agilent reduces CO_2 emissions from energy use by conservation activities and by procuring green (carbon-free) electricity. In 2006, the amount of energy used at Agilent worldwide was down for the sixth year in a row. Our energy use in 2006 at our remaining post-divestiture facilities is 2.7 percent lower than in 2005, due to conservation activities.

In 2006, compared to 2005, we reduced CO_2 emissions at our existing Agilent manufacturing sites by 3.8 metric kilotons due to energy conservation activities and by an additional 6.2 metric kilotons due to carbon-free electricity procurement. Examples of our carbon-free 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 will investigate opportunities to install solar-power generation. We are assessing the feasibility of solar-energy systems 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.

CO_2 Emissions from Energy Use in Air Travel and Fleet
An estimated 250.5 million miles were flown by Agilent business travelers worldwide in 2006, which contributed a release of approximately 56 metric kilotons of CO_2.

Approximately 19.7 million miles were driven by Agilent employees using fleet vehicles in the U.S., which contributed a release of an estimated 9.4 metric kilotons of CO_2 (our Asia Pacific and European fleet miles have not been quantified to date).

Summary
In total, Agilent's approximate quantified CO_2 emissions from purchased electricity, natural gas, and travel (where calculated) were 212 metric kilotons in 2006, compared to 372 metric kilotons in 2005. Reducing, or even stabilizing, the concentration of CO_2 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.

Ozone-Depleting Substances

Agilent has eliminated the use of chlorofluorocarbons (CFCs) in our manufacturing operations. We remain committed with eliminating Class I Ozone-Depleting Substances in air conditioning systems, process chillers and environmental chambers. In 2006, we continued to evaluate the impact of smaller sources that contain CFCs, such as climatic chambers used in product testing, and to eliminate or retro-fit these chambers when possible.

Waste

Agilent's waste management program continues to responsibly manage the handling, storage and final disposal of chemical and solid waste, and to reduce the amount of chemical and solid waste generated by our manufacturing operations. Waste reduction increases overall production efficiency, thereby reducing costs for Agilent while reducing the negative impact on the environment. These savings can be passed on to customers. We follow the principles of Reduce>Reuse>Recycle to help minimize negative environmental impact. Agilent maintains ongoing programs to reduce the use of hazardous materials in our operations, products and services. For example, in 2006, our outsourced facility-management company in the U.S., Johnson Controls, implemented a green-cleaning program for Agilent manufacturing sites. 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). Information regarding reducing hazardous materials in our products may be found in the previous Materials section.

Agilent's ongoing efforts to reuse and recycle our surplus electronic equipment, including computers and monitors, resulted in saving approximately 45 metric tons of electronic equipment. This is equipment that otherwise would have been disposed in landfill.

In our operations, Agilent continues to emphasize onsite recycling programs. 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. Activities at our Loveland, Colorado, U.S. site are examples of our

reuse and recycling efforts. During a recent renovation, more that 93 percent of all materials removed were either reused or recycled. Agilent is proud of the success achieved to date in our waste reduction efforts, and intends to continually improve upon our performance.

Products and Services

It is our policy to provide products and services that meet legal and regulatory requirements, including applicable environmental standards. In some instances, we exceed local 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 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 designed specifically for environmental testing. Examples include:
- 1200 Series high-pressure liquid chromatograph (HPLC), which is the latest version of Agilent's HPLC instrumentation used for analysis of pesticides and polynuclear aromatic hydrocarbons (e.g. potentially hazardous chemicals that are difficult to detect); and
- 6410 triple-quadrupole mass spectrometer for liquid chromatography, which is used during scientific research to detect and quantify low concentrations of chemical compounds in complex matrices (e.g. in air, water and soil).

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 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 information is available at http://buyalternatives.tm.agilent.com.

Environmental Performance Data

Materials

Product packaging used in Europe (metric tons)

Fiscal year	2004	2005	2006
Wood	57	98	98
Steel	0	0	3
Plastics	36	47	39
Paper/card	480	542	538
Glass	0	0	0
Composite	2	2	2
Aluminum	0	0	0
Other	0	0	1
TOTAL	575	690	681

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 2006, 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 2005, we developed new methods to improve our data accuracy and now include packaging for spare parts so that our data reflects total packaging controlled by Agilent.

Notes
Fiscal year 2006 includes Semiconductor Products Group (November 2005) and Automated Test Group.

Energy

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

Fiscal year	2004	2005	2006
Total energy/net revenue	34	35	29
Total electricity/net revenue	25	26	22

Integrated data - CO_2 emissions per net revenue (kilograms/100 US$)

Fiscal year	2004	2005	2006
CO_2 emissions from energy/net revenue	4.29	4.44	2.96

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

Fiscal year	2004	2005	2006
Total energy/square foot	61.6	63.6	46.6

Energy consumption

Worldwide (1,000 gigajoules)

Fiscal year	2004	2005	2006
Total electricity consumption	1802	1772	1079
(percentage green electricity*)	na	0.37	4.94
Total natural gas consumption	627	619	352
TOTAL	2429	2392	1431

Asia Pacific (1,000 gigajoules)

Fiscal year	2004	2005	2006
Total electricity consumption	569	556	364
Total natural gas consumption	24	17	15
Total energy consumption	594	573	379

Europe (1,000 gigajoules)

Fiscal year	2004	2005	2006
Total electricity consumption	142	145	110
Total natural gas consumption	54	46	65
Total energy consumption	196	191	175

U.S. (1,000 gigajoules)

Fiscal year	2004	2005	2006
Total electricity consumption	1090	1072	605
Total natural gas consumption	529	556	272
Total energy consumption	1619	1628	877

Discussion

The energy and CO_2 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. This year, percentage green electricity is provided instead of percentage renewable because green (carbon-free) electricity is a better measure of reduction in environmental impact.

In the last three years, energy conservation activities reduced energy use by 6 percent after adjusting for the differences in our real estate footprint between now and in 2004. This is how much less energy we use by improving the efficiency of our operations; it does not include reductions from real estate sales or business spin-offs. During fiscal year 2006, Agilent reduced energy use by 2.5 percent at manufacturing sites and 2.7 percent overall (using fiscal year 2005 as a baseline).

Electricity from carbon-free sources, as a percent of total electricity consumption, increased from 0.37% during 2005 to 4.94% during 2006.

Notes

Fiscal year 2006 includes Semiconductor Products Group (November 2005) and Automated Test Group businesses.

* Percentage green energy = green energy purchase/total electricity use

na Not available

Water

Integrated data - Water

Fiscal year	2004	2005	2006
Total water usage for operations/net revenue (1,000 cubic meters/100 million US$)	37	38	22
Total water usage for operations/average number of employees (cubic meters/employee)[1]	93	95	47

Water consumption

Worldwide (1,000 cubic meters)

Fiscal year	2004	2005	2006
Total water use for operations	2671	2633	1075
Total water use for irrigation	221	114	137
Water recycled from operations	71	99	64
Total water use	2892	2746	1212
(percentage recycled*)	3%	4%	5%

Asia Pacific (1,000 cubic meters)

Fiscal year	2004	2005	2006
Total water use for operations	841	764	562
Total water use for irrigation	na	37	na
Water recycled from operations	na	na	na
Total water use	841	800	562
(percentage recycled*)	na	na	na

Europe (1,000 cubic meters)

Fiscal year	2004	2005	2006
Total water use for operations	85	62	53
Total water use for irrigation	na	na	1
Water recycled from operations	na	na	na
Total water use	85	62	53
(percentage recycled*)	na	na	na

U.S. (1,000 cubic meters)

Fiscal year	2004	2005	2006
Total water use for operations	1745	1807	460
Total water use for irrigation	221	77	137
Water recycled from operations	71	99	64
Total water use	1966	1884	597
(percentage recycled*)	4%	5%	11%

Notes

Fiscal year 2006 includes Semiconductor Products Group (November 2005) and Automated Test Group businesses. Total water use decreased from 2005 to 2006 partly due to the divestiture of the Semiconductor Products Group.

[1] Average number of employees = (number of employees at the beginning of a fiscal year + number of employees at the end of the fiscal year)/2.

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

na Not available

Air Emissions

Purchased electricity and natural gas consumption (metric kilotons CO_2)[1]

Fiscal year	2004	2005	2006
Asia Pacific	80.3	81.1	53.3
Europe	22.3	22.3	12.4
U.S.	214.6	204.7	81.3
TOTAL	317.3	308.1	147.0

Employee air travel (million miles)

Fiscal year	2004	2005	2006
Employee air travel	231.7	238.6	250.5

Employee air travel (metric kilotons CO_2)[2]

Fiscal year	2004	2005	2006
Employee air travel - CO_2	51.7	53.3	55.9

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

Fiscal year	2004	2005	2006
For business (driver-assigned)	15.7	19.2	15.3
For business (pool and group)	na	0.6	0.7
For personal (driver-assigned)	3.6	3.8	3.8
TOTAL	19.2	23.6	19.7

Employee fleet travel (U.S. only) (metric kilotons CO_2)[4]

Fiscal year	2004	2005	2006
For business (driver-assigned)	7.4	9.1	7.3
For business (pool and group)	na	0.3	0.3
For personal (driver-assigned)	1.7	1.8	1.8
TOTAL	9.1	11.2	9.4

Discussion

In 2006 and 2005, energy conservation activities and carbon-free electricity procurement reduced net total CO_2 emissions at Agilent operations by 10.7 metric kilotons.

Notes

Fiscal year 2006 includes Semiconductor Products Group (November 2005) and Automated Test Group businesses. 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 CO_2 coefficients to calculate resulting tons of CO_2 emissions.

Europe and Asia Pacific CO_2 emissions calculations:

Emissions from electricity use - Europe and Asia Pacific sites' CO_2 emissions from electricity were obtained by multiplying country-specific electricity usage by the country-specific 2003 emission coefficients provided by the World Business Council for Sustainable Development (WBCSD) and subtracting the emissions saved by green energy (zero-carbon emitting energy sources) procurement. The WBCSD coefficients are those posted as version 1.1 April 2006 on www.ghg.org.

Emissions from natural gas use - The conversion factors used to calculate Europe and Asia Pacific sites' CO_2 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 CO_2/kilowatt hour.

U.S. emissions calculations:

The conversion factors used to calculate U.S. sites' CO_2 emissions from electricity and natural gas were obtained from the 2005 U.S. Environmental Protection Agency Climate Leaders state-specific coefficients. The emissions were calculated by multiplying the state-specific 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.

[2] The conversion factor used to calculate emissions is 0.2233 kg CO_2 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 CO_2/mile. This factor is based on the June 2003 GHG Protocol Initiative tools and is for large gas autos (19 mpg).

na Not available

Waste

Integrated data - Waste per employees (metric tons/1000 employees, average)[1]

Calendar year	2004	2005	2006
Total waste/1000 employees	296	308	266
Total chemical waste/1000 employees	36	40	36
Total solid waste/1000 employees	261	268	230

Waste data
Worldwide (metric tons)

Calendar year	2004	2005	2006
Total waste produced[2]	8441	8580	6146
Total waste landfilled	1476	1629	1080
Total chemical waste[3]	1040	1115	824
Chemical waste treated	134	127	36
Chemical waste incinerated	194	111	119
Chemical waste landfilled	129	53	210
Chemical waste recycled	583	825	459
Total solid waste[4]	7402	7465	5323
Solid waste incinerated	465	360	199
Solid waste landfilled	1347	1576	871
Solid waste recycled	5590	5529	4253

Waste data
Regional breakdown

Asia Pacific (metric tons)

Calendar year	2004	2005	2006
Total waste produced[2]	2078	1990	2028
Total waste landfilled	49	43	28
Total chemical waste[3]	236	142	76
Chemical waste treated	54	13	0
Chemical waste incinerated	144	81	74
Chemical waste landfilled	1	16	0
Chemical waste recycled	37	33	1
Total solid waste[4]	1842	1848	1953
Solid waste incinerated	264	291	62
Solid waste landfilled	48	27	28
Solid waste recycled	1530	1531	1863

Europe (metric tons)

Calendar year	2004	2005	2006
Total waste produced[2]	1473	842	804
Total waste landfilled	249	107	101
Total chemical waste[3]	23	27	26
Chemical waste treated	4	4	2
Chemical waste incinerated	1	5	6
Chemical waste landfilled	10	8	11
Chemical waste recycled	8	11	7
Total solid waste[4]	1450	815	778
Solid waste incinerated	201	69	137
Solid waste landfilled	239	99	90
Solid waste recycled	1011	646	551

U.S. (metric tons)

Calendar year	2004	2005	2006
Total waste produced[2]	4890	5747	3314
Total waste landfilled	1178	1479	951
Total chemical waste[3]	781	946	722
Chemical waste treated	76	109	34
Chemical waste incinerated	49	26	39
Chemical waste landfilled	118	29	199
Chemical waste recycled	538	781	451
Total solid waste[4]	4109	4801	2592
Solid waste incinerated	0	0	0
Solid waste landfilled	1060	1449	753
Solid waste recycled	3050	3352	1839

Notes

Calendar year 2006 includes Automated Test Group business. Data does not include the Spokane, Washington site. 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.

[1] Average number of employees = (number of employees at the beginning of a fiscal year + number of employees at the end of a fiscal year)/2.

[2] Total waste produced is calculated by adding total chemical waste and total solid waste tonnage.

[3] 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.

[4] 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	2004	2005	2006
Refurbished products sold	3427	3119	3164
Growth/decline	-45%	-9%	1%

Discussion

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.

Social Strategy and Performance

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 2006 included:

- Providing charitable contributions, together with the Agilent Technologies Foundation, totaling US$6.4 million to universities, pre-university science education programs, environmental programs, and health and human services worldwide;
- Reaching approximately 275,000 pre-university students worldwide in Agilent's After School hands-on science program;
- Having more than 30,000 students in the U.S. and China using the Agilent Clean Air Challenge curriculum, a science- and math-based program that primarily targets students in grades six to nine;
- Donating close to 30,000 hours of volunteer community service through the efforts of approximately 20 percent of Agilent employees worldwide;
- Supporting active community programs in 15 countries;
- Completing the annual Agilent Employee Survey with a 75-percent response rate and scores that exceeded the information technology industry norms overall. 2006 results indicate a significant increase in employee engagement and a continued strong connection between employees and their immediate managers worldwide;
- Having employee survey results that indicate diverse perspectives are valued across Agilent, with a 10-point improvement in 2006 as compared to 2005. In addition, scores grading the ease in which people from diverse backgrounds can fit in and be accepted at Agilent were near the top quartile compared to external norms;
- Being acknowledged as one of the Top-Ten Best Companies to work for in India and as one of the Best Employers in China;
- Being complimented as one of the Best Corporate Citizenship companies in Taiwan by *CommonWealth* magazine;
- Having readers of *Women Engineer Magazine* rating Agilent as one of the top 50 companies where they would most like to work or they believe would provide the best working environment for women; and
- Being named number five on "100 Best Corporate Citizens" list by *Business Ethics* magazine.

Community Involvement

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

Agilent Giving

During 2006, Agilent, together with the Agilent Technologies Foundation, invested a total of US$6.4 million in cash and equipment to education, health and human services and environmental organizations worldwide. The Agilent Technologies Foundation focuses on advancing pre-university science education around the world by making grants in countries where Agilent is located. The Foundation also supports promising university research in science and technology fields. More information about the Agilent Technologies Foundation is available at www.agilent.com/contributions/foundation.shtml.

Agilent also provided 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 also reinforce the company's diversity and inclusiveness objectives.

Employee Giving
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 2006 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.

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, which recognizes the critical role of our colleges and universities in developing tomorrow's leaders. In 2006, a total of US$200,000 dollars was made available by the Agilent Technologies Foundation to match employee donations.

Employee Volunteerism
Our employees are actively encouraged to participate in their communities. 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 2006, approximately 20 percent of Agilent's employees donated close to 30,000 hours to community service.

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.

The Agilent After School program is a hands-on science experiment series for children ages nine to thirteen. 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 now part of the Girl Scout Patch program in the U.S.; participating girls can earn an "Agilent Science Patch."

The Clean Air Challenge is a science- and math-based curriculum that uses a storyline to introduce state-mandated science and math principles to students in middle and high school. This is done through hands-on exploration of a real-world issue: air quality. The focus is on the control of ozone originating from cars and trucks. Agilent has been a major sponsor of this program since 2003, partnering with local air districts on implementation in California, Colorado and Delaware in the U.S., and Beijing and Shanghai in China.

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.

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; and
- 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.

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 2006. 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" US$50,000 scholarship, as well as other scholarships and awards;
- Strengthening our partnership with the Society of Women Engineers by sponsoring the Vitality Task Force, participating in the new Corporate Partnership Council and the Career Guidance Committee and Fair;
- 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$269,000 in diversity-related grants to non-profit educational and community organizations through the Agilent Technologies Foundation;
- Marking the fourth annual Abilities Day by opening two Agilent facilities for high-school students with disabilities to visit and learn about the company, careers and Agilent's environment. Abilities Day is part of Agilent's Accessibility and Accommodation program; and
- Serving as key sponsor of or participant in local activities in support of diverse communities:
  - Lesbian, Gay, Bisexual and Transgender Pride Celebration (Colorado and California, U.S.)
  - 2006 Out and Equal Workplace Summit (Chicago, U.S.)
  - Upward Bound Science and Math Program (Delaware, U.S.)

- Girls Ready to Explore Academics and Technology Camp (Colorado, U.S.)
- Must Know Computers, Government Girls Senior Secondary School (Gurgaon, India)
- Eden Handicap Service Center (Penang, Malaysia)

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 opportunity for successful partnerships with diverse and small businesses. In the U.S., our Supplier Diversity program is best-in-class and promotes diversity in the marketplace by increasing procurement from and business opportunities for diverse businesses.

During 2006, Agilent's Supplier Diversity program successfully established goals and reporting with several strategic customers and participated in industry groups and non-profits to understand and help construct emerging industry trends in supplier diversity. A 2007 priority for the program is to increase Agilent's customer satisfaction around supplier diversity results.

Employment

In 2006, Agilent implemented several key actions to position itself as the world's premier measurement company. These actions brought Agilent's headcount to approximately 18,700 by end of fiscal year 2006 (October 31, 2006). Actions included:

- Divesting the Semiconductor Products Group (Avago Technologies) to KKR/Silver Lake Partners. Completed in December 2005;
- Selling 50/50 stake in Lumileds joint venture to Philips. Completed in November 2005;
- Spinning-off Automated Test Group, System-on-a-Chip and Flash Memory Test businesses (Verigy). Completed in October 2006; and
- Restructuring Agilent's Global Infrastructure Organization to reflect lower revenue base and exclusive measurement focus.

Our employment focus continues to be:

- Providing employees with a work environment that they find challenging and rewarding;
- Ensuring outstanding leaders at every level;
- Encouraging open communication and feedback with management; and
- Investing in employee development.

Leadership Audit and Employee Survey

Agilent's 2006 Quarterly Leadership Audit process continued the company's focus on accountability. In partnership, managers and employees ensure a shared understanding of expected results, and have ongoing conversations that review progress against goals and provide opportunity for feedback and coaching. The Leadership Audit measures the success of these partnerships through an accountability index. The Audit process also measures items known to affect employees' engagement at Agilent through an engagement index. During the course of 2006, the Audit indicated a 5-point improvement in the accountability index and a 9-point improvement in the engagement index.

In addition to Agilent's Quarterly Leadership Audit, Agilent conducts an annual Agilent Employee Survey. Approximately 75 percent of Agilent's employees completed the Employee Survey in 2006. The results have been distributed to executives and senior managers who are held accountable for focusing on the critical few leadership and culture themes needing greatest improvement. Their progress will be assessed via the 2007 Quarterly Leadership Audit. Overall progress on leadership and culture, including engagement, will be measured again in the 2007 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;
- 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; and
- 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 packages include competitive pay, opportunities for bonuses and benefits ranging from length-of-service awards to medical care. For example, we offer a performance-based Agilent Results Bonus program and an Employee Stock Purchase program (where local legislation allows).

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

Individual performance of executives is measured against the following factors, which may vary as required by business conditions:
- Long-term strategic goals
- Short-term business goals
- Revenue and profit goals
- Customer satisfaction
- New business creation
- Total stockholder return
- Development of employees
- Fostering of teamwork and other Agilent values

You can read more about our executive compensation policies and practices in our Proxy Statement available on our Investor Overview webpage at www.agilent.com/go/investor.

Employees represented by independent trade unions

In the U.S., no Agilent employees are represented by independent trade unions 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. Some key programs in 2006 included Business Acumen, Crucial Conversations and Situational Leadership.

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 2006, approximately 60 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.

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 the overall site safety performance.

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

Health and Safety Highlights and 2007 Objectives
In the last five years, Agilent reduced both the lost-workday case rate and recordable injury/illness rate by approximately 50 percent.

During fiscal year 2006, Agilent:
- Managed an emerging global issue by preparing Agilent for a potential pandemic response. This included writing a global pandemic preparedness plan, performing crisis management training in high-risk regions and adjusting our Business Continuity Plan;
- Improved the capability of our EHS data management system for tracking and closing corrective actions; and
- Improved the efficiency of response to customer requests for Agilent EHS information.

Some of Agilent's health and safety objectives for fiscal year 2007 are to:
- Improve the response process for customers who are requesting that Agilent employees work in potentially higher-risk customer locations, and decrease potential risks to Agilent employees when working at these locations;
- Improve the EHS training data management system; and
- Reduce ergonomic risk by implementing a global ergonomic evaluation and training system.

Human Rights

Strong ethics have always been an important part of the Agilent way of doing business and human rights are certainly no exception.

In 2004, we introduced the Agilent Supplier ESR Code of Conduct, which 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.

Employee Relations
It is Agilent's policy to maintain a work environment that is free from harassment and to insist that employees be treated with dignity and respect. Agilent's Standards of Business Conduct provides requirements as to whom we do business with and how that business is conducted. Agilent employees may not establish or maintain a business relationship with a supplier if they believe that its practices violate local laws or basic international principles relating to labor standards.

HIV and AIDS-Related Non-Discrimination Policies
It is Agilent's policy to maintain a work environment that is free from harassment, and to insist that employees be treated with dignity, respect and courtesy.

Social Performance Data

Community Investment

Community investment (million US$)

Fiscal year	2004	2005	2006
Education	3.2	1.7	4.8
Environment	0.3	0.2	0.2
Health and Human Services	1.6	0.3	1.4
Other	0.1	10.0	0.0
Total	5.2	12.2	6.4

Discussion

The 2006 numbers include both Agilent Technologies and the Agilent Technologies Foundation philanthropic giving. In 2006, Agilent Technologies fully implemented a strategy to meet the majority of its philanthropic objective through its Foundation, which focuses on advancing pre-university science education around the world by making pre-selected, foundation-initiated grants in countries where Agilent is located.

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

Diversity

Diversity

Worldwide Gender (%)	2004 male / female	2005 male / female	2006 male / female
All employees	59.7 / 40.3	59.8 / 40.2	65.7 / 34.3
Executives and senior management	78.8 / 21.2	78.9 / 21.1	77.9 / 22.1

Notes

Diversity data is as of end of each fiscal year (end of October). Fiscal year 2006 does not include Semiconductor Products Group and Automated Test Group businesses.

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

Fiscal year	2004	2005	2006
Asia Pacific	11800	12100	7500
Europe	4800	4700	3700
U.S.	11500	10700	7500
TOTAL	28200	27500	18700

Employment creation

Fiscal year	2004	2005	2006
Regular employment	2503	2166	2469
Internal temporary workers	206	709	378
Total employment creation	2709	2875	2847

Employment turnover

Fiscal year	2004	2005	2006
Number (regular employees exits)	2838	2783	3243
Turnover rate (regular employees)	9.7%	9.9%	17.3%

Asia Pacific

Employment creation (people)

Fiscal year	2004	2005	2006
Regular employment	1708	1410	1684
Internal temporary workers	134	421	149
Total employment creation	1842	1831	1833

Employment turnover

Fiscal year	2004	2005	2006
Number (regular employees exits)	1087	1173	954
Turnover rate (regular employees)	9.6%	9.9%	13.7%

Europe

Employment creation (people)

Fiscal year	2004	2005	2006
Regular employment	238	206	203
Internal temporary workers	63	165	127
Total employment creation	301	371	330

Employment turnover

Fiscal year	2004	2005	2006
Number (regular employees exits)	522	341	615
Turnover rate (regular employees)	9.8%	7.1%	16.1%

U.S.

Employment creation (people)

Fiscal year	2004	2005	2006
Regular employment	557	531	582
Internal temporary workers	9	123	102
Total employment creation	566	654	684

Employment turnover

Fiscal year	2004	2005	2006
Number (regular employees exits)	1229	1240	1674
Turnover rate (regular employees)	10.0%	10.8%	21.0%

Note

Fiscal year 2006 employment data does not include Semiconductor Products Group and Automated Test Group businesses.

Total benefits and wages (US$)

Fiscal year	2004	2005	2006
Base compensation and benefits	2,279,048,500*	2,296,953,600	1,930,354,500
Overtime	24,926,900	20,975,000	18,011,100
Commissions	58,429,600	58,255,900	59,537,200
Total Compensation and benefits	2,362,405,000*	2,376,184,500	2,007,902,800

Notes

*2004 base compensation and benefits amount increased by $36M as compared to what was posted in the 2004 ESR Report to reflect adjusting entries not previously captured.

Fiscal year 2006 includes benefits and wages associated with Semiconductor Products Group (November 2005) and Automated Test Group businesses.

Health and Safety

Health and safety

Fiscal year	2004	2005	2006
Total recordable injury/illness cases	175	171	113
Injury/illness rate	0.6	0.6	0.55
Total lost-workday cases	36	43	26
Lost-workday case rate	0.12	0.15	0.12

Notes

Health and safety data is for Agilent worldwide. Injury/illness data in past years' reports include both injury/illness and accident type; to better reflect 2002 GRI Guidelines and based on industry benchmarking, this year we are not including that breakdown. We improved the injury/illness data reporting accuracy this year and are reporting to two decimal places. Fiscal year 2006 includes Semiconductor Products Group (November 2005) and Automated Test Group business employees. During the past year our company-wide injury/illness rate remained essentially unchanged from fiscal year 2005. However we did experience a reduction in the lost-workday case rate from 0.15 in 2005 to 0.12 in 2006.

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 x 200,000/50,000 = 8.0 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 you had one lost-workday injury/illness case in a quarter and 50,000 hours worked, then the calculation would be:

1 x 200,000/50,000 = 4.0 lost-workday case rate.

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

Financial Performance

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

Appendix I
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 2006. Some of the data is reported for our fiscal year 2006 (November 1, 2005 to October 31, 2006) 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 2006 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

During 2006, as part of Agilent's ongoing strategy to improve our operational model, we consolidated facilities related to finalizing the Lumileds and Avago Technologies divestitures in the first quarter, and the Verigy divestiture in the fourth quarter of our fiscal year. We aligned our EHS organization with the new Agilent and consolidated facilities to fully utilize space. The San Jose, California; Fort Collins, Colorado; and Depot Road and Senoko, Singapore sites were divested. We moved our Palo Alto, California sites (Headquarters and Agilent Laboratories) to Santa Clara, California; remodeled our Santa Clara Site; and consolidated our Loveland, Colorado Site.

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.

The revenue-based indicators presented in this report have been calculated including the revenue generated by Agilent's Electronic Measurement and Bio-Analytical Groups.

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 six 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, emissions reporting or other restrictions. Agilent's financial performance is available on our Investor Overview webpage at www.agilent.com/go/investor.

If you would like information regarding Agilent and are unable to locate it in the sources noted above, please contact us at any of the addresses below.

Contact Us

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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 2006 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:
Bob Beckham, U.S.   "My daughters walking along the beach"
Stuart Clyne, Singapore   "A Vietnamese fisherman inspecting his nets"
Lee San Chung, Malaysia   "Motherly love"
Melissa Teoh, Malaysia   "At the Penang Butterfly Farm"

Page ii:
Nean Hwai Teoh, Malaysia "Morning in bright sunshine after a soft rain"

Page 1:
Bryan Fisher, U.S.   "Tree frog resting on a leaf in Costa Rica"

Page 12:
Rick van Tuijl, Spain   "Iceberg in Lago Grey, National Park Torres del Paine, Chile"

Page 25:
Tracey Bayley, U.K.   "Woman in a fishing boat in Vietnam"

Appendix II

Glossary

Agilent After School A hands-on science program targeted at children from the ages of 9 to13 years and supported by Agilent employee volunteers.

ARM Agilent's Restricted Materials.

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.

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

Class I 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.

CO_2 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.

EIA Electronics Industry Alliance.

EMG Electronic Measurement Group, an Agilent business.

ESR Environmental and Social Responsibility.

E.U. European Union.

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

Gigajoule 1 gigajoule = 277.78 kilowatt-hour.

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).

GSE Agilent General Specification for the Environment. Agilent's general requirements for restricting or prohibiting certain substances in products manufactured for or delivered to Agilent.

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.

HPLC High-pressure liquid chromatograph.

ILO International Labour Organization. For more information go to www.ilo.org.

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

iNEMI International National Electronics Manufacturing Initiative.

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 x 200,000/50,000 = 8.0 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 x 200,000/50,000 = 4.0 lost-workday case rate.

LSCA Life Sciences and Chemical Analysis (Bio-Analytical Measurement), an Agilent business.

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

OHSAS 18001 International occupational health and safety management system specification.

PBDEs Polybrominated diphenyl ethers.

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

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).

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.

WEEE Waste Electrical and Electronic Equipment Directive.