

# FISCAL 2008 SUSTAINABILITY REPORT

As Donaldson has grown and diversified, our filters are now found in many different industries, environments and applications. More than most people realize, our filters are cleaning environments and protecting equipment everywhere, every day. We are fully committed to delivering quality products and being a responsible corporate citizen.

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## ABOUT DONALDSON COMPANY

Donaldson is a worldwide manufacturer of filtration systems and replacement parts. Our product mix includes air and liquid filters and exhaust and emission control products for mobile equipment; in-plant air cleaning systems; compressed air purification systems; and air intake systems for industrial gas turbines and specialized filters for such diverse applications as computer disk drives and semi-conductor processing. Our products are manufactured at more than 35 plants around the world and through three joint ventures.

We have two business segments engaged in the design, manufacture and sale of systems that filter air and liquid and other complementary products: Engine Products and Industrial Products.

Products in the Engine Products segment consist of air intake systems, exhaust and emissions systems, liquid filtration systems and replacement parts. This segment sells to original equipment manufacturers (OEM) in the construction, mining, agriculture and transportation markets and to independent distributors, OEM dealer networks, private label accounts and large equipment fleets.

The Industrial Products segment consists of dust, fume and mist collectors, compressed air purification systems, liquid filters and parts, static and pulse-clean air filter systems for gas turbines, and specialized air filtration systems for diverse applications including computer disk drives. This segment sells to various industrial end-users, OEMs of gas-fired turbines and OEMs and end-users requiring highly purified air.

Donaldson is traded on the New York Stock Exchange under the symbol DCI.

## Donaldson At A Glance

- 19 consecutive years of record earnings growth
- Average annual earnings per share (EPS) for 19-year period: 16 percent
- Revenue (year ended July 31, 2008): \$2.232 billion
- Consistent earnings growth drivers: diversified portfolio of filtration businesses, global marketplace coverage and aggressive cost management
- Strong balance sheet
- 53 consecutive years of quarterly dividends
- Active share repurchase program: Reduced shares outstanding for 19 consecutive years

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## Financial Information

Additional financial information is available at [www.donaldson.com](http://www.donaldson.com) under the Investor Relations tab.

(Dollars in millions, except per share data)	2008	2007	2006	2005	2004
<b>Net sales</b>	\$ 2,232.5	\$ 1,918.8	\$ 1,694.3	\$ 1,595.7	\$ 1,415.0
<b>Gross margin percentage</b>	32.5%	31.5%	32.8%	31.7%	31.6%
<b>Operating income percentage</b>	11.0%	11.0%	11.4%	9.8%	10.0%
<b>Effective income tax rate</b>	27.2%	26.4%	30.1%	28.6%	25.0%
<b>Net earnings</b>	\$ 172.0	\$ 150.7	\$ 132.3	\$ 110.6	\$ 106.3
<b>Diluted earnings per share</b>	\$ 2.12	\$ 1.83	\$ 1.55	\$ 1.27	\$ 1.18
<b>Total assets</b>	\$ 1,548.6	\$ 1,319.0	\$ 1,124.1	\$ 1,111.8	\$ 1,001.6
<b>Total debt</b>	\$ 321.5	\$ 285.8	\$ 180.4	\$ 213.1	\$ 124.9
<b>Shareholder equity</b>	\$ 740.0	\$ 624.7	\$ 546.8	\$ 524.6	\$ 549.3
<b>Dividends</b>	\$ 0.42	\$ 0.36	\$ 0.32	\$ 0.24	\$ 0.21

## Corporate Governance

Donaldson is committed to uniformly applying high standards of ethics and business conduct wherever we do business. Our longstanding commitment to sound corporate governance and integrity is a key part of our success.

Our Board of Directors oversees Donaldson's governance practices for the benefit of its stockholders. Our Board has adopted Corporate Governance Guidelines to reflect these sound practices, including a policy requiring that a significant majority of Donaldson's directors will meet the criteria for independence required by the New York Stock Exchange.

No corporate funds or other assets are paid or furnished, directly or indirectly, to a political party or political candidate or incumbent.

You can access information related to our corporate governance guidelines online at [http://ir.donaldson.com/corp\\_governance.html](http://ir.donaldson.com/corp_governance.html).

## Our Commitment

Since 1915 we have strived to leverage our distinguishing characteristics—innovative technology, strong customer relationships and broad geographic presence—to meet the diverse and changing needs of our customers.

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## Our Vision

### To Lead the World in Filtration Solutions.

There are three things we must do to lead the world in filtration solutions. We must develop the best technology for our customers, offer the best customer support and supply the best value.

## Our Mission

**We provide solutions that improve people's lives, enhance our customers' equipment performance and protect the environment.** These three words—improve, enhance and protect—convey our mission and help us set our priorities for the future.

## Our Values

Our actions, guided by our shared values, demonstrate what Donaldson stands for. We believe every behavior, decision and contribution we make paves the way for our future success and must be driven by our values: integrity, respect and commitment.

**Integrity** – We must demonstrate the highest ethical standards in all of our actions.

**Respect** – We must foster an inclusive workplace through collaboration and teamwork.

**Commitment** – We must be fully committed to the attainment of our goals and assume individual responsibility for their achievement.

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## Awards and Recognition

Each year, Donaldson is recognized as a leader in corporate integrity, innovation, product quality and financial stewardship. In the past year, we received the following recognition:

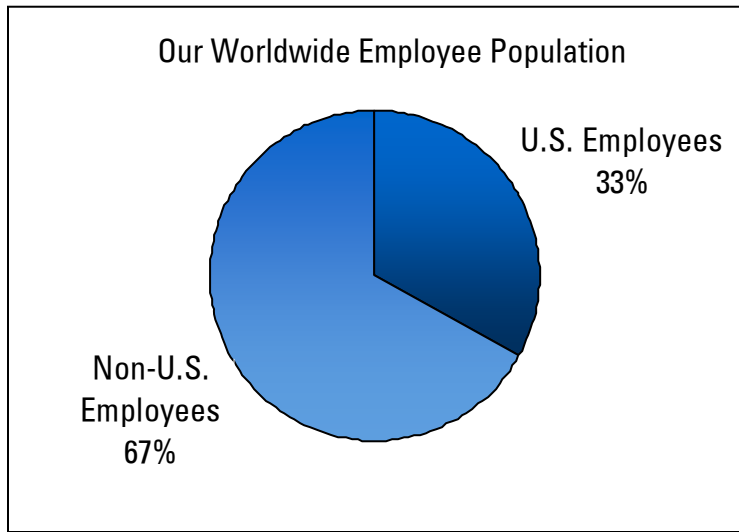
- Listed as one of America's most trustworthy companies by *Forbes* magazine
- Named one of *INDUSTRYWEEK's 50 Best Manufacturing Companies*
- Listed #27 in revenue in the Minneapolis *Star Tribune* 100 Report for Minnesota-based companies
- Listed #11 in the top 25 Minnesota-based Multinational Companies by the *Minneapolis-St. Paul Business Journal*
- Listed #19 in the State of Minnesota for the number of patent holders we have
- Recipient of the Above and Beyond Award from the Employer Support group of the National Guard and Reserve
- Listed #21 on a Patent Scorecard for Industrial Components and Fixtures
- 2007 Performance Excellence Award from the Boeing Company for achieving a silver level of performance over the 12-month period
- Masters of Quality Award from Freightliner LLC which recognizes three Donaldson manufacturing facilities for excellence in the areas of accounting, marketing, purchasing, engineering and quality control
- 2007 Gold Award from Vulcan Materials Company as part of the Vulcan 9th Annual Alliance Partner Awards
- 2007 Experts' Choice Award for our ChemCore™ filter by *Controlled Environments Magazine*®, a Vicon publication

# FISCAL 2008 SUSTAINABILITY REPORT

## SUPPORTING OUR EMPLOYEES AROUND THE WORLD

We will attract and develop talented employees who then create our business success.

As of July 31, 2008, Donaldson employed approximately 13,000 employees worldwide. As you can see from the chart below, 33 percent of our employees are U.S. based. Of those, approximately 25 percent are represented by labor unions.



## Compensation and Benefits

We provide our U.S. employees access to quality health care and wellness programs. We offer a variety of medical, dental and vision benefits for employees and eligible dependents as well as a fitness discount program and an Employee Assistance Program. Additionally, we offer two reimbursement accounts that afford employees the opportunity to use pre-tax pay to fund out-of-pocket health and childcare expenses. We also provide disability benefits, life insurance and an employee stock purchase plan so employees can share in our business success.

It is important that we help our employees build a more secure financial future. As a result, we offer two key retirement benefits. In our 401(k) Savings Plan for non-union, U.S.-based employees, Donaldson matches 100% of employee contributions up to 3% of compensation contributed to the plan and 50% on the next 2% of compensation contributed. The company may also make discretionary contributions to the plan, based on company performance. In fiscal 2008, Donaldson contributed \$8.4 million to this plan. The second retirement program (at the majority of our U.S. locations) is a company-paid, Cash Balance Pension Plan.

Many of our international employees participate in either company-sponsored or government retirement plans.

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Because everyone needs some personal time, we provide paid holidays and a competitive vacation plan that increases with years of service. Many employees also gather outside of work to participate in Donaldson-sponsored recreation programs, including bowling, golf, softball and soccer leagues. Discounted tickets to movies, fairs, festivals and sporting events are also available to the employee base.

From a development perspective, we have company-wide succession and development programs that encourage internal employee growth and promotion. We require individual development plans from employees so that they leverage their strengths and build skills where development is needed. We also provide leadership training and rich experiences for our existing employees as well as one-on-one mentoring and coaching programs intended to groom successors for leadership roles.

Learning is a lifelong ambition for our employees and we encourage continued education by reimbursing expenses for job-related courses and by providing other internal and external training and development opportunities. We also support employee's dependent children by offering educational scholarship opportunities for post-secondary institutions through the Donaldson Foundation.

### Code of Conduct

At Donaldson, we believe that a key to our success is our longstanding commitment to integrity in our dealings with our customers, employees, shareholders, government authorities, suppliers, neighbors and the public. We are committed to preventing ethical violations and conflicts and correcting any that may occur.

Our employees are encouraged to discuss concerns with their supervisor, Human Resources representative or the Legal Department. Donaldson employees are required to promptly report known or suspected violations. Employees who, in good faith, report wrongdoing to management will not be the subject of reprisals or other punishment.

While we have internal controls and procedures that we believe will discourage and prevent improper conduct, we also provide an easy way to report actual or suspected activities that may involve improper conduct or violations of our Code of Conduct. Our Business Conduct Help Line is managed by EthicsPoint, a secure and independent third-party reporting source, ensuring confidentiality and access by telephone or the internet at all times. Access to the Help Line is available on-line at [www.donaldson.com](http://www.donaldson.com).

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## Diversity and Inclusion

We believe that our efforts to incorporate a broad base of skills, cultures and values are critical to our continued global leadership in filtration solutions. We feel that different points of view will lead to new and innovative ideas.

To that end, our workforce is comprised of individuals with various backgrounds, cultures, abilities and perspectives. We know that our talented employees are essential for us to continue to excel in our core strengths. Our goal is to create an atmosphere of mutual respect where all employees are appreciated and can contribute to their full potential.

*"Our focus is on creating a globally inclusive culture where all of our employees, regardless of their race, gender, nationality, and other unique qualities, are an integral part of the Donaldson family. When we capitalize on the uniqueness of each individual, we help our employees succeed and that contributes to our global leadership in providing filtration solutions for our customers."*

*Bill Cook, Chairman, President & CEO*

Since we work with customers and colleagues from around the world, we have established initiatives to promote and integrate diversity throughout our organization. These include mentoring, leadership development, diversity training, succession planning, global meetings and cultural awareness events. Through collaboration of our employees' unique talents and perspectives, we will continue to create new business opportunities around the world.

Donaldson participates in INROADS, a national organization whose mission is to help businesses gain greater access to ethnically diverse talent through early identification and continuous leadership development of outstanding students. INROADS places talented minority youth in paid internships with sponsoring organizations like Donaldson.

We also have a written policy that prohibits discrimination on the basis of race, religion or sexual orientation. As of January 2008, 5.3% of our top leader population is considered minorities as described by the EEOC.

Learn more about our diversity initiatives at  
<http://www.donaldson.com/en/about/diversity/index.html>.

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## Community Involvement

In addition to providing value to our shareholders, quality products to our customers and opportunities to our employees, we are committed to maintaining an effective presence in our local communities. We proudly support programs and organizations that strengthen the communities of which we are a part.

The Donaldson Foundation is the primary instrument of Donaldson Company, Inc. for our charitable contribution efforts. Overall, the Donaldson Foundation strives to make a meaningful impact in its gifts. The Foundation is led by employees who volunteer their time.

We are a participant in the Minnesota Keystone Program, giving 2% of our pre-tax net domestic earnings to charity. In 2008, we awarded grants totaling \$908,804. Over and above this, we make significant in-kind contributions. Following are some of the key focus areas for our Foundation's financial donations:

- *United Way* - Our employees, retirees and the Foundation provide significant support to the United Way and its agencies.
- *Donaldson Scholars* - This program provides scholarships for post-secondary education to dependent children of employees.
- *Education Matching Gifts* - This program provides matching gifts to the college or university of the employee's choice. Gifts are matched in any amount from \$25 up to \$1,000.
- *Organizational Gifts* - We focus our giving on education at all levels and organizations focused on assisting the transition towards economic self-sufficiency.
- *Plant City Charitable Concerns* - Gifts in these areas are focused on the local United Way, education, self-sufficiency and local projects.
- *Emergency Assistance* - Matching gifts are made in areas affected by natural disasters where Donaldson has employees. For example, Donaldson and the Foundation allocated \$15,000 in matching gift funding for Sichuan earthquake relief efforts.

The generosity of our employees and our commitment to making a difference in our communities are qualities of which we are very proud. We encourage our employees to participate in volunteer opportunities within their community, as well as company-sponsored volunteer programs. These include six Memorial Blood Center blood drives annually, Junior Achievement (JA) classroom teaching, a yearly JA bowl-a-thon, a yearly MS 150 bike-a-thon, Reuben Lindh sponsorships for back-to-school supplies and Toys for Tots during the holiday season.

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Each year, employees at Corporate Headquarters volunteer at an event for a local non-profit to help the community do work they couldn't otherwise afford. Typically, 100-150 employees participate. Last September, our Bloomington-based Donaldson employees volunteered in a disaster simulation. The Minnesota National Guard partnered with the Salvation Army, The Greater Twin Cities United Way, and area businesses to work towards its CERFP certification. This certification enables the state's guard units to provide immediate response capability to the governor. As a disaster actor, each volunteer was given a story to act out and make-up to go with the part, and then she or he was saved from the rubble, washed down in decontamination, and bandaged.

Outside of the large-scale event, we encourage our employees to volunteer and we provide flexibility so volunteerism can take place during the work day.

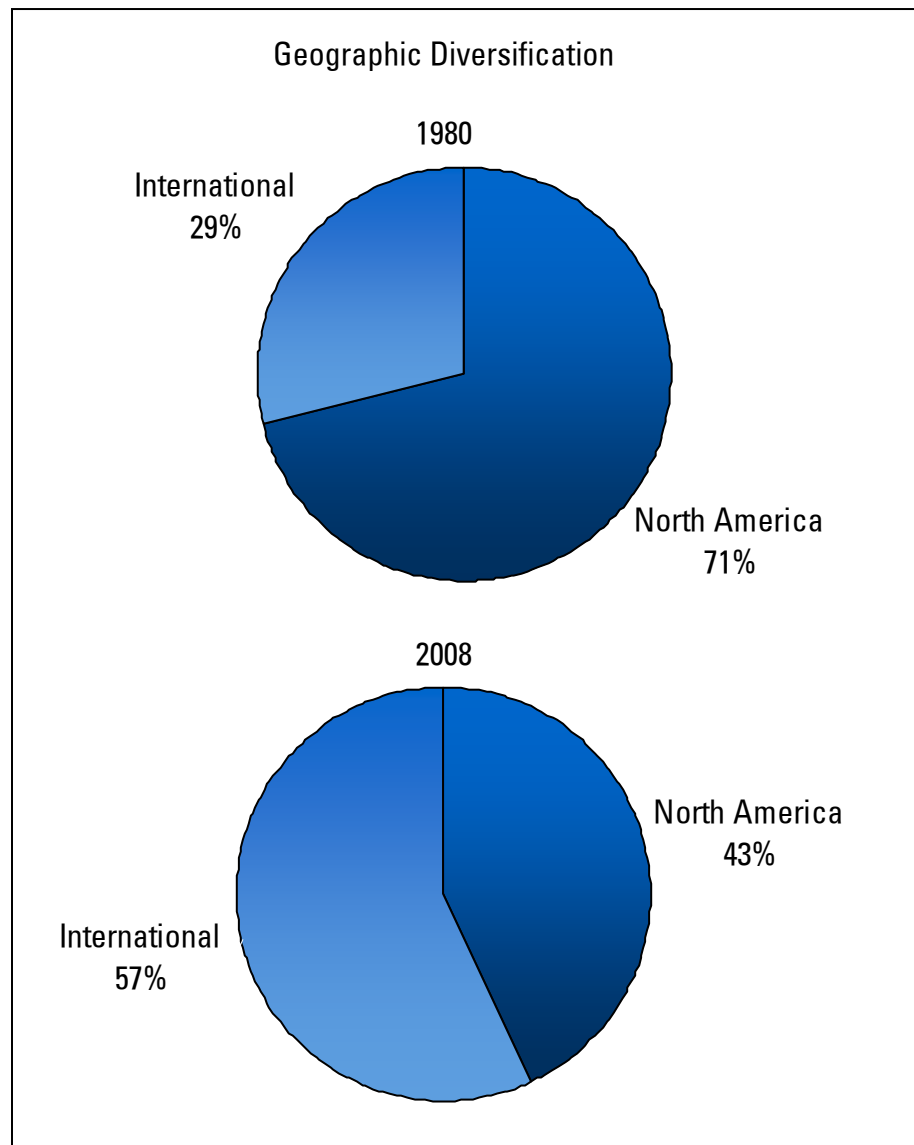
As of July 31, 2008, the foundation had \$3,248,459 million in assets.

For more information about the Donaldson Foundation and our employee volunteer initiatives, visit our website at [www.donaldson.com/en/about/community/index.html](http://www.donaldson.com/en/about/community/index.html).

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## SUPPORTING OUR CUSTOMERS AROUND THE WORLD

In 1915, we had three employees and one location. Today, our geographic reach spans the globe. Our headquarters and research facilities are located in Bloomington, Minnesota, a suburb of Minneapolis. Our principal European administrative and engineering offices are in Leuven, Belgium. We also have extensive operations in the Asia-Pacific region.



We manufacture our diverse product offerings around the world. Through our worldwide sales, engineering, manufacturing, and distribution capabilities, we provide exceptional support to our global customer base. In fiscal 2008, international sales accounted for 57% of our total revenue.

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## U.S. Facilities

Auburn, Alabama  
Riverbank, California  
Dixon, Illinois  
Frankfort, Indiana  
Cresco, Iowa  
Grinnell, Iowa  
Nicholasville, Kentucky  
Bloomington, Minnesota  
Chillicothe, Missouri  
St. Charles, Missouri\*  
Philadelphia, Pennsylvania  
Maryville, Tennessee  
Greeneville, Tennessee  
Baldwin, Wisconsin  
Stevens Point, Wisconsin

## Joint Venture Facilities

Champaign, Illinois  
Jakarta, Indonesia  
Dammam, Saudi Arabia

## Distribution Centers

Ontario, California\*  
Rensselaer, Indiana  
Singapore  
Aguascalientes, Mexico  
Brugge, Belgium  
Johannesburg, South Africa

## International Facilities

Wyong, Australia  
São Paulo, Brazil  
Athens, Canada  
Hong Kong, China\*  
Wuxi, China  
Kadan, Czech Republic  
Klasterec, Czech Republic  
Domjean, France  
Paris, France  
Dülmen, Germany  
Flensburg, Germany  
Haan, Germany  
New Delhi, India  
Ostiglia, Italy  
Gunma, Japan  
Aguascalientes, Mexico  
Monterrey, Mexico  
Cape Town, South Africa  
Johannesburg, South Africa\*  
Barcelona, Spain  
Rayong, Thailand  
Hull, United Kingdom  
Leicester, United Kingdom

\* = leased facilities

## Shareholder Dividends

On July 25, 2008, we announced our 212th consecutive quarterly cash dividend over a 53-year period.

## DELIVERING INNOVATIVE FILTRATION TECHNOLOGIES

Ours is a technology-driven company committed to satisfying customer needs for filtration solutions through innovative research and development. Hundreds of Donaldson engineers have contributed to more than 1,500 active, issued or pending global patents. We combine our particulate and chemical filtration technology with other disciplines, including fluid dynamics, structural analysis and acoustics, to deliver pacesetting products. We have two reporting segments: Industrial Products and Engine Products.

### Industrial Products Segment

Sales for the Industrial Products segment totaled \$1.003 billion for the fiscal year ending July 31, 2008. This segment is comprised of three primary groups: Industrial Filtration Solutions, Gas Turbine Systems and Special Applications.

### Industrial Filtration Solutions

2008 Sales: \$600 million

Our filtration products are used in a variety of industrial processes and environments, including dust collection, compressed air and gas systems, and hydraulic fluid systems.

We produce original equipment and replacement parts for the following product applications:

*Industrial Air Filtration Systems* to capture the dust, fumes, or mist generated by manufacturing operations. Our products utilize patented designs and airflow techniques and exclusive filter media such as Ultra-Web<sup>®</sup>, Dura-Life<sup>™</sup> and Synteq<sup>™</sup> XP.

*Compressed Air and Gas Purification Solutions* to deliver clean, dry compressed air and gas throughout our customers' manufacturing facilities. Our solutions include air intake and oil filters, air/oil separators, air dryers and point-of-use air filters.

*Industrial Liquid Filters* clean hydraulic fluids to keep presses, lifts, tools and other manufacturing equipment running reliably. Our process filters purify steam, liquids, gases and air used in the food, dairy, beverage, paint and other industries.

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## Gas Turbine Systems

2008 Sales: \$213 million

We design and provide complete air intake systems, including self-cleaning filter units, static air filter units, chiller coils, inlet heating, and anti-icing systems for gas turbines and industrial compressors. Our products incorporate patented systems designs and proprietary filter media such as Spider-Web<sup>®</sup>. We also provide aftermarket replacement filters, parts and service.

Our filtration solutions are used in our customers' gas turbines, which provide base electricity, peaking capacity and remote power. These turbines require inlet air filtration and noise attenuation systems to both protect the turbine from damage and to help it run at peak efficiency. Our customers include most major turbine manufacturers, utility companies, and oil and gas companies.

## Special Applications

2008 Sales: \$190 million

We produce a wide variety of high efficiency air filters for the disk drive and semiconductor industries. We protect computer disk drives in applications ranging from desktop computers to portable music and video players. We protect them from dust, chemical contamination and humidity. Our semiconductor process filters help our customers optimize the production yields of the products. On the Integrated Venting side of our business, we provide vent filters that protect and increase the effectiveness of a variety of consumer electronic devices ranging from hearing aids to automotive sensors.

We also manufacture expanded polytetra-fluoroethylene (ePTFE) membrane under the proprietary brand name Tetratex<sup>®</sup>, which is used in filters and garments. We also produce a nanofiber material that we market as Ultra-Web, which is used in filtration products and other specialty applications.

## Engine Products Segment

Sales for the Engine Products segment totaled \$1.229 billion for the fiscal year ending July 31, 2008. This segment is comprised of two primary groups: Original Equipment and Engine Aftermarket.

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### Original Equipment

2008 Sales: \$572 million

We provide filtration and exhaust solutions to construction, transportation, agriculture, aerospace and mining equipment manufacturers. Our filtration products protect heavy-duty engines in a variety of dirty and harsh on- and off-road environments. We filter engine intake air, engine fuels, lubricants and mobile hydraulic fluids, and treat engine exhaust by removing noise and tailpipe and crankcase emissions.

Our products incorporate proprietary and patented designs, including PowerCore<sup>®</sup>, PowerCore<sup>™</sup> G2 and Spiracle<sup>™</sup>, as well as proprietary filter media such as Ultra-Web<sup>®</sup>, Synteq<sup>®</sup> and Synteq<sup>™</sup> XP. We also continue to leverage our extensive experience with our Duramax<sup>®</sup> RadialSeal product lines.

### Engine Aftermarket

2008 Sales: \$657 million

Our engine aftermarket product line includes a broad line of replacement oil, fuel, air, coolant, transmission and mobile hydraulic filters, accessories and exhaust components. Recent product line expansions include PowerCore air cleaners for on- and off-road applications, Donaldson Endurance<sup>™</sup> air and lube filters to extend filter service intervals, and U.S. EPA-verified diesel emissions retrofit solutions.

We sell our aftermarket parts to our customers' OEM parts and service organizations, independent distributors and private label marketers. We market our replacement filters and parts under both our OEM customers' brands and the Donaldson brand.

Applications include all brands of diesel-powered vehicles and equipment, from pick-up trucks to off-road haul trucks, to on-road heavy-duty trucks and buses, to military and civilian helicopters and airplanes. We have distribution centers strategically located to support the needs of our customers in every geographic region.

For more information about Donaldson filtration technology, visit our website at [www.donaldson.com](http://www.donaldson.com).

## PROVIDING A HEALTHY AND SAFE ENVIRONMENT

### Environment, Health and Safety

Donaldson is an environmentally and socially responsible corporation. We comply with environmental laws and regulations and are committed to being a responsible corporate citizen. Safety is a core value and competency at Donaldson. The protection of our employees and guests is our highest priority. Our leadership team, local safety committees, corporate environmental, health and safety staff and all of our employees around the world work together to help maintain a safe and healthy environment.

### Our Environmental Pledge

We actively promote a management commitment to the development of enlightened environmental principles and their implementation across the organization through:

- Pollution prevention at its source and the responsible management of any residual waste;
- Recycling of raw materials, finished products and other resources;
- Conservation of energy and natural resources through prudent use and reuse;
- A product development process that considers environmental impacts throughout the product life cycle; and
- A corporate commitment to minimize risks pertaining to environmental, health and safety in the workplace, and in our communities.

Our environmental policy is located on-line at [www.donaldson.com/en/about/quality/environment.html](http://www.donaldson.com/en/about/quality/environment.html).

### ISO 14001

ISO 14001 is an international accreditation that certifies compliance to an effective, site-specific environmental management system. This management system focuses on continuous process improvements and pollution prevention.

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ISO 14001 has been achieved at the following Donaldson plants through our Registrar, British Standards Institute:

- Donaldson Ltd - Leicester Plant; Leicester, UK, 1999
- Frankfort; Frankfort, Indiana (USA), 2001
- Stevens Point; Stevens Point, Wisconsin (USA), 2003
- Cresco; Cresco, Iowa (USA), 2004
- Wuxi Filters Co., Ltd (Disk Drive); Wuxi, China, 2004
- Donaldson Czech Republic s.r.o.; Klasterec, Czech Republic, 2005
- Nippon Donaldson, Ltd.; Tokyo, Japan, 2006
- Donaldson Filter Components, Limited; Hull, United Kingdom, 2006
- Donaldson Italia S.R.L.; Ostiglia, Italy, 2006
- Donaldson Wuxi Filters Co., Ltd. (Industrial Filtration Solutions); Wuxi, China, 2007
- Auburn; Auburn, Alabama (USA), 2007
- Greeneville; Greeneville, TN (USA), 2008

### Residual Waste Disposal

- Recycling programs are in place at a majority of facilities for common office wastes (plastic, aluminum, paper and cardboard) and at production plants for scrap metal and media.
- Residual waste disposal is managed to minimize use of landfills for reasons related to both environmental sustainability and future liability.
- Residual wastes are primarily directed for beneficial reuse including waste-to-energy and alternative fuels blending (cement kilns, etc.).
- A disposal audit program is in place to ensure vendors properly manage wastes to protect the environment.

### Energy Conservation

We conduct plant-wide energy audits to evaluate energy use, identify potential cost-saving opportunities and optimize the use of utilities and natural resources. We have installed energy efficient lighting systems and have ongoing electrical and natural gas efficiency initiatives to reduce energy usage by major equipment including motors, pumps, water heaters, ovens and compressors.

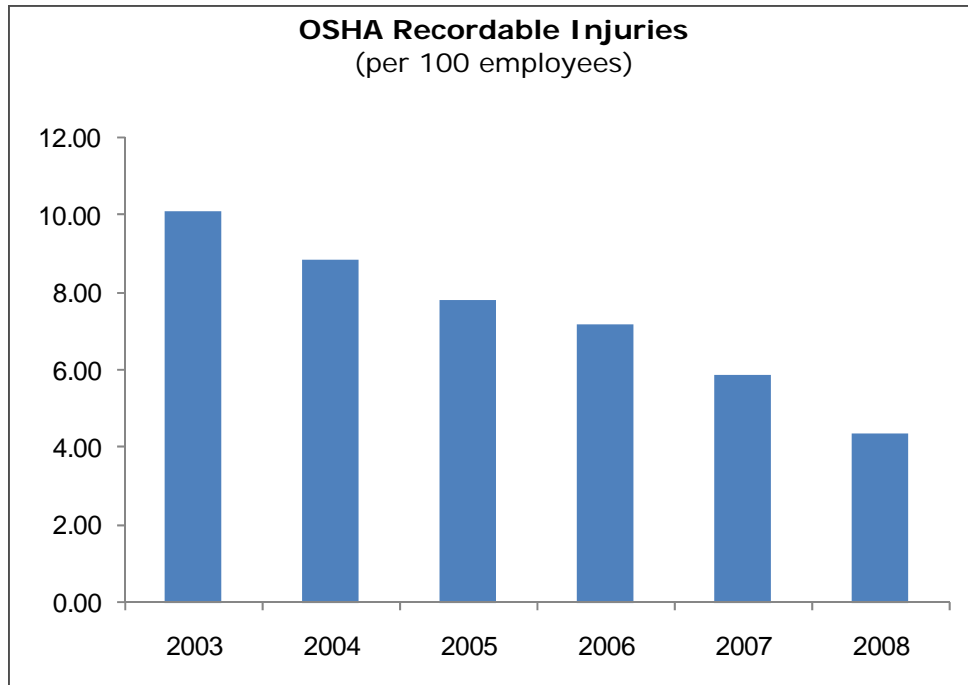
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## Occupational Health

Through the use of internal and external expertise, we monitor and work to improve the occupational health environment. At our Bloomington Campus we have a full array of sampling and monitoring equipment for industrial hygiene use at our locations.

## Safety Observation Program

Initiated in 2007, the Safety Observation Program was developed in conjunction with behavioral based safety experts to drive safety improvement. The program consists of peer observations by employees using criteria developed to identify safety improvement ideas.



## Safety and Health Committees

Committees are established to assist in the implementation of safety and health systems. Procedures are followed, promoted and continuously improved. These committees are comprised of representatives from all departments or areas within the organization, and are chaired by the location manager. The committees are established at most locations, including manufacturing, office, warehouses and R&D facilities, involving essentially all employees working at our facilities.

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## OUR CONTINUED COMMITMENT

Donaldson Company is a global innovator, developer and manufacturer of filtration technology solutions that support our customer's needs. We are committed to continuously improving the sustainability of our products in the marketplace and to assist our customers by providing filtration solutions that positively affect their environments.

Our strong culture and values will guide us as we grow Donaldson while providing the most benefits to all of our stakeholders.

*Data in this report summarizes Donaldson's growing environmental, product stewardship and social responsibility activities from August 1, 2006 to July 31, 2008. Financial information is given in U.S. dollars. For more information on Donaldson's investor relations, visit [www.donaldson.com](http://www.donaldson.com). Copies of our Annual Report on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, and amendments to these reports are available free of charge on our website at [www.donaldson.com](http://www.donaldson.com) or [www.sec.gov](http://www.sec.gov). Corporate governance documents are available at [www.donaldson.com](http://www.donaldson.com) or upon request in writing to our Corporate Secretary at Donaldson, P.O. Box 1299, Minneapolis, MN 55440-1299. Donaldson is under no obligation to provide regular updates to this report.*