

# D&I 2020

FURTHERING DIVERSITY & INCLUSION  
TO DRIVE RESULTS

180  
0202

## As a Company We Delivered



**\$4.2B**

of revenue

**\$483.6M**

of operating income

**\$5.87**

in diluted earnings per  
share from continuing  
operations

**\$494.8M**

returned to shareholders  
in the form of dividends  
and share repurchases

**\$1.9B**

4-year total return  
to shareholders

## To Our Valued Shareholders

In 2020, I had the pleasure of speaking virtually to students, alumni, and members of the Carlson School of Management at the University of Minnesota and of Arizona State University's W.P. Carey School of Business about an important and extremely relevant topic today — Clarity in Crisis. As the Chairman, President, and CEO of Carlisle Companies, an essential part of the job is to cut through complexity and communicate a clear, direct, and simple strategic vision for the organization that informs priorities, educates on the mission, and guides everyday actions. At Carlisle, we call this Vision 2025. Vision 2025 gave us clear direction and consistency of mission during the tumultuous year of 2020 and will continue to guide our efforts as we accelerate into the anticipated recovery in 2021 and beyond.

The theme of this year's annual report is Furthering Diversity & Inclusion to Drive Results. For over 100 years, Carlisle has believed that evolution is essential to our continued success. This is embodied in our philosophy of continuous improvement and applies to our D&I efforts as well. While we believe that we have always attempted to do the right thing for all our stakeholders, we know there is room for improvement. And so, we are committed to making progress towards creating a more diverse and inclusive workspace for all of our employees.

This effort is clearly demonstrated in our own history, with continuous female representation on our Board of Directors since 1978. We did this not to be compliant or meet a legislative mandate, but because it was authentic to our culture, always with an eye for acting in the best interest of our stakeholders — and because it drives better results. At the close of 2020, 20% of our Board is female and 50% identify as gender, racially, or ethnically diverse. Additionally, we have increased the diversity of our senior leadership team and will continue to make improvements.

At Carlisle, D&I has evolved as a Center-led program under Vision 2025. In 2016, we created a corporate Vice President of Human Resources role to, among other things, drive our D&I strategy consistently across our businesses. In 2018, Carlisle joined the CEO Action for Diversity & Inclusion™ pledge, committing to supporting a more inclusive workplace for employees, communities, and society at large. Since that time, we have achieved several important milestones. First, we equipped our businesses with the tools and processes to ensure our leaders have been trained on unconscious bias. Second, we reviewed our pay practices and determined the causes of pay equity gaps, which we addressed, resulting in achieving gender pay equity across the company. Third, we established D&I targets ranging from leadership composition to focused recruitment of underrepresented groups. Finally, we have sought diverse community partners that align with our philanthropic focus on Civility, Education, Mental Health, and Veterans.

Our businesses are different sizes, possess different resources, and are located in different communities. This, as you will read in later pages, results in each segment being at similar, but slightly different places in their D&I reporting journey. And while 'the place' along the journey may be different, our purpose is the same — Furthering Diversity & Inclusion to Drive Results.

In a year like 2020 when the COVID-19 pandemic impacted everyone and all of our businesses, Carlisle was able to deliver solid performance for all stakeholders because we came together — not only to ensure the health and safety of each other, but to focus on driving results. No matter where we were around the globe, we worked as a team for the greater good of Carlisle and our stakeholders.

During this crisis, we rallied around each other, our customers, and our communities by supporting critical infrastructure, continuing to operate our factories and distribution centers while adhering to rigorous global health and safety guidelines, and remaining active and positive contributors to local communities. Thankfully, overall infections at Carlisle have remained low thanks to diligent adherence to health and safety guidelines across our operations — because at Carlisle, maintaining health and safety is always our first priority.

At our May Annual Shareholder meeting, David A. Roberts retired as Chairman of Carlisle. On behalf of all of Carlisle's stakeholders I want to thank Dave for his many years of service. I also want to thank Dave for his personal mentorship over our nearly twenty years of working together. We wish him well in his retirement.

Finally, 2020 was, by all objective measures, a difficult year. I am extremely proud of the manner in which the Carlisle team approached our challenges — unified, allowing us to persevere and finish on a strong note. The respect we showed each other mattered. The care we showed for one another mattered. And the civility of our interactions mattered. Because of all this, we are poised to recover faster, meet our customers' expectations, and make 2021 a year of sustainable progress. As we move into year four of Vision 2025, I am very pleased that our vision remains intact.

Thank you for the continued trust you place in our team at Carlisle.



D. Christian Koch  
Chairman, President and Chief Executive Officer  
Carlisle Companies Incorporated



# Progress on Vision 2025

In Vision 2025, we target doubling our annual revenues to \$8 billion, expanding operating margins to 20%, and generating 15% ROIC, all driving to \$15 of earnings per share. Vision 2025 is based on five key elements:



## 1 Drive >5% organic revenue growth

In the third year of Vision 2025, Carlisle's revenues declined organically 14.0% across our businesses with the majority of this decline occurring in the second and third quarters as the COVID-19 pandemic shuttered global economies. In the fourth quarter, however, CCM and CBF returned to positive sales growth and demand trends at CFT stabilized. Faced with the historic decline in airline traffic and subsequent reduction in aircraft production, we anticipate CIT will recover over a longer timeline.

## 2 Utilize the Carlisle Operating System (COS) to drive efficiencies and operating leverage, reducing costs annually by 1-2% of sales

In 2020, we achieved gross savings, cost avoidance, and benefits of \$80.5 million, or 1.7% of sales, bringing the total savings, cost avoidance, and benefits since the formal inception of COS to over \$500 million.

## 3 Reshape the portfolio with synergistic acquisitions while we continue to review and optimize our assets

While 2020 was not an active year on the M&A front due to the pandemic and high valuations on actionable transactions, we continue to manage an active pipeline for the Building Envelope and our high-ROIC businesses.

## 4 Continue to invest in and develop exceptional talent

In 2020, Carlisle continued to offer robust career development programs across the organization, from enhanced high-professional and high-potential leadership development programs, to widespread experiential learning that emphasizes data-driven decision making, to trainings targeted at the process level, improving quality and flow. Social distancing and limited travel made us adjust how we administered these programs, but they continue to make a significant impact.

## 5 Deploy >\$3 billion into capital expenditures, share repurchases, and dividends

In year three of Vision 2025, Carlisle continued to return capital to shareholders and invest in our businesses in support of our strategic goals, including:

- > \$382.4 million of share repurchases. As of December 31, 2020, Carlisle had a remaining 1.9 million shares to purchase under Board authorization. The Board also authorized an additional 5 million shares for repurchase on February 2, 2021.
- > \$112.4 million of dividends paid, raising dividends in 2020 for the 44<sup>th</sup> consecutive year
- > Capital investments of \$95.5 million into our businesses to drive organic growth

From top: Shravya Nallabathula, U.S.A.; Stefan Weber, Germany; Inge Buurkes, the Netherlands; Siwatu Reid, U.S.A.



## People, Process, Productivity

The Carlisle Operating System (COS) remains core to our culture of continuous improvement and contributed to another year of solid results. Overall savings, cost avoidance, and benefits from COS in 2020 reached **\$80.5 million**, achieving our stated Vision 2025 objectives of reducing costs annually 1-2% of sales.

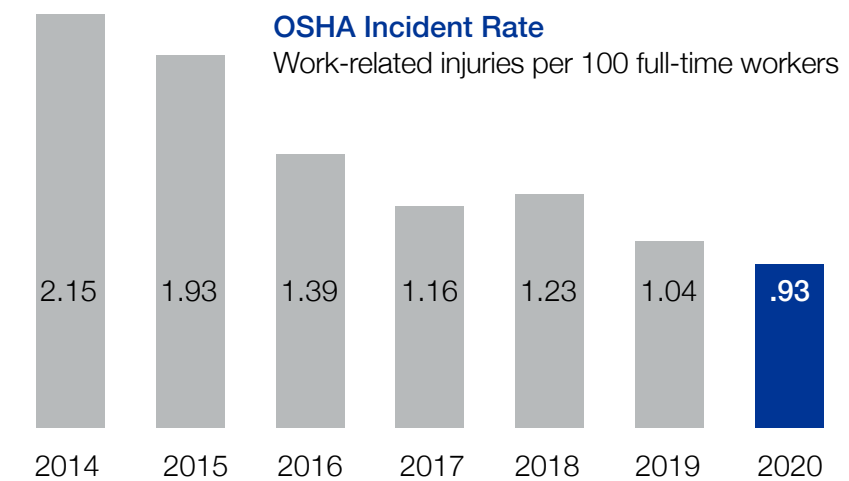
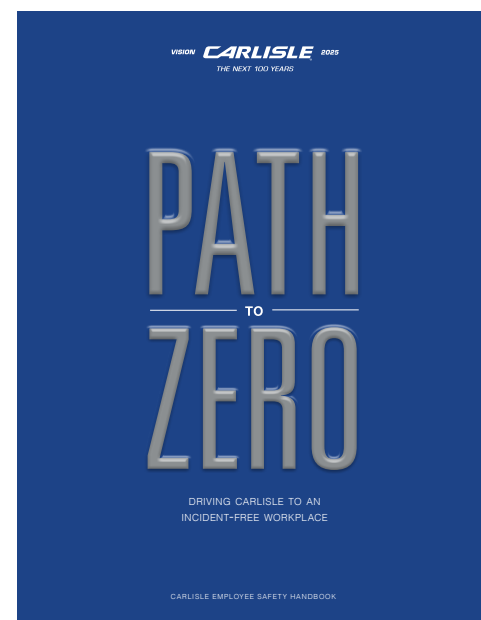
COS is founded on respect and engagement, accountability, transparency, and data-driven decision making. It fosters a culture of innovation and learning, where organizational capability and capacity can thrive. COS is a key driver of variation reduction, quality improvements, and enhancing our customers' experience.

COS elevates the entrepreneurial culture of Carlisle's employees and supports the optimization of our processes to eliminate waste, translating savings into greater operating results. COS will continue to deliver value for our customers, employees and, ultimately, our shareholders.

2020 was about "**Raising the Bar**" at Carlisle:

- 1 We launched "Path to Zero" and a new, global Safety handbook. Carlisle's Safety Incident Report Rate was already better than the industry standard\* of 3.7, but in our continuous improvement culture, better wasn't good enough. Path to Zero represents our commitment to creating the safest possible work environment and features the goal of zero accidents and zero injuries.

\*NAICS Plastics and Rubber Products Manufacturers FY 2019 reporting



- 2 We continue to drive better quality results across our businesses. From the beginnings of our continuous improvement journey, we first set a target of 4-Sigma level quality. In 2019, we reset that target to 5-Sigma. Moving into 2021, our sites are performing between 5- and 6-Sigma.
- 3 We also continue to improve our engineering quality in our mission to design and deliver highly engineered, innovative, energy-efficient products for our customers. We are shifting from diverse industrial practices to global precision standards in our quest to deliver manufacturing and engineering excellence through the Carlisle Experience.

COS has had a transformative impact on our businesses. Since full implementation of COS in 2009, the program has generated over **\$500 million** in savings, cost avoidance, and benefits, and we continue to look for ways to raise that bar.

From top: Tony Vieira, U.S.A.; Sabrina Sigusche, Germany; Harris Womitso-Mawulawoe, U.S.A.; Catherine Chu, China



## Carlisle Construction Materials

Carlisle Construction Materials (CCM) delivered outstanding 2020 results despite an extremely challenging operating environment. Operating income increased 1.0% to a record \$581.6 million, or 19.4% of sales despite revenues decreasing 7.4% from 2019 to \$3.0 billion. 2020 demonstrated yet again the exceptional and sustainable earnings power of the CCM business model, highlighted by CCM's core roofing business, which delivered operating income in excess of 20%.

CCM has continued to evolve from its roots in the early 1960s as a roofing membrane business to today, where we deliver an extensive line of Building Envelope products and innovative, easy-to-install, and energy-efficient solutions through the Carlisle Experience for customers who are creating the sustainable buildings of the future.

With CCM's accomplished team in place, we are confident in our continued ability to grow our core single-ply roofing business while also investing in higher growth platforms: Polyurethanes, Architectural Metals, and Europe.

The 2017 acquisition of our **Polyurethane** platform included spray foam insulation, which is a sustainable high-single-digit growth market.\* Our top-performing formulations provide the contractor, builder, and homeowner with greater application efficiency and control, savings, and, ultimately, a better foam insulation product.

\*Research and Markets 2020



**Architectural Metals** is also an exciting recent platform to CCM. This multi-billion dollar market growing at approximately two times GDP<sup>†</sup> provides an attractive opportunity to diversify into the sloped roof market with a highly sustainable product. To support our regional growth strategy, we are expanding our Metals footprint in 2021 by opening three new locations in the U.S.

We are committed to accelerating growth in **Europe**, a €10 billion addressable market.<sup>††</sup> To drive this growth, we recently changed leadership and announced the investment of over \$25 million to expand capacity in our German manufacturing facility. CCM's leading environmental and energy efficient solutions lend themselves well to trends in the European market.

†Bain, Freedonia; ††SPRI, AMI



Katrina Putt, U.S.A.

## CCM's commitment to Diversity & Inclusion 2020 Highlights

- > Achieved gender pay equity across the organization
- > Trained leaders in HR, COS, and Operations in Unconscious Bias awareness
- > Developed the foundation and processes to launch our first Employee Resource Group for Emerging Professionals
- > Engaged the Society of Hispanic Professional Engineers, Women in Engineering, and Women in Construction across five universities to provide informational talks/sessions on careers in the industry
- > Tracked gender and ethnic diversity of our candidate pool since mid-2020, seeing a **322%** increase in female job candidates for non-operational roles and **31%** increase for operational roles, and a **44%** increase in non-white job candidates for non-operational roles and **23%** increase for operational roles

From top: Susanne Thomassen, the Netherlands; Malik Nawaz, U.S.A.; Anna-Lena Tomfohrde, Germany; Dakota Hess, U.S.A.

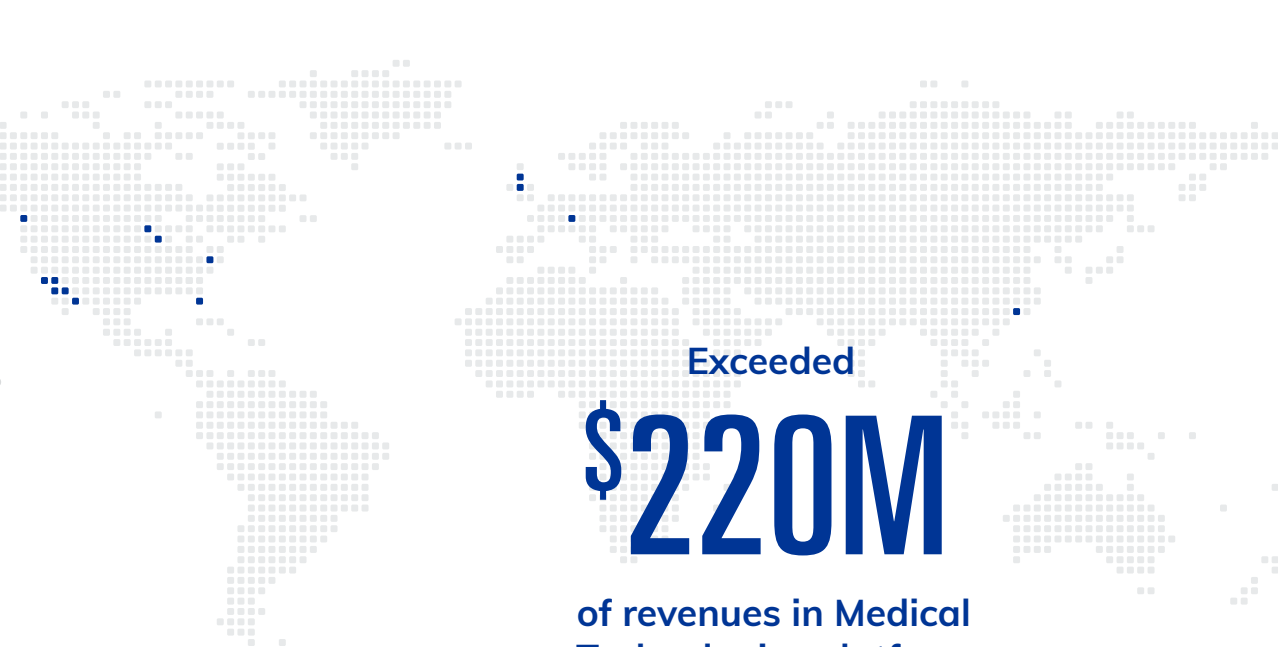


## Carlisle Interconnect Technologies

Carlisle Interconnect Technologies (CIT) delivered revenues and operating loss of \$731.6 million and \$2.1 million, respectively. CIT's 2020 year-over-year revenue decline of 24.8% was driven by an historic decline in aircraft traffic due to the COVID-19 pandemic and subsequent declines in aircraft production. The declines were exacerbated by the well-publicized Boeing 737 Max issues, which went unresolved until the fourth quarter of 2020. In the face of these declines, the CIT team did a commendable job managing through the crisis, taking actions to reduce costs and positioning the business for the future.

We are optimistic that the actions taken in 2020 to improve CIT will position the business for a solid recovery over the near-term. Exiting 2020, there were positive signs from the aerospace markets, including: the 737 Max has been cleared to return to flight in North America, Europe and South America, the vaccine rollout is accelerating, and passenger traffic is recovering from March 2020 lows.

In CIT's Medical Technologies business, 2020 sales were impacted by COVID-related delays in hospital capital spending and postponing of elective surgeries as the pandemic unfolded. However, the Medical platform's project pipeline is robust and long-term market trends remain attractive, including the increasing preference for minimally invasive surgeries and OEM strategies to consolidate supply chain partners.



CIT's operating margin declined significantly year-over-year to -0.3% driven by Commercial Aerospace volume declines and accelerated restructuring actions. These declines were partially offset by savings from COS, tight cost controls, and price realization.

While the actions taken by CIT in 2020 to rightsize our footprint and reduce overall workforce were difficult, we are positioned to deliver improved operating income performance when volumes return.



### CIT's commitment to Diversity & Inclusion 2020 Highlights

- > Created the Opportunity, Diversity & Inclusion (ODI) Steering Committee, designated to lead in the promotion of a culture of inclusivity throughout the organization through four areas of focus:
  - **Talent-Focused Team** that seeks diverse, high-performing talent and empowers every employee to achieve more
  - **Employee-Focused Team** that promotes educational topics and provides supportive resources to employees fostering an inclusive culture and increasing employee engagement
  - **Leadership-Focused Team** that concentrates on improving awareness around ODI topics among our leaders and gaining buy-in to implement projects and activities that cultivate a culture of respect and inclusion
  - **Community-Focused Team** dedicated to supporting local organizations through stewardship, contributions, and sharing our expertise and time
- > Created division D&I metrics to raise awareness and track our D&I initiatives quarterly
- > Joined the Professional Diversity Network, which provides a centralized job distribution and media outreach platform for diverse talent recruitment



Tata Luo, China

From top: Chris Khol, U.S.A.; Sevonte Camps, U.S.A.;  
Dragon Huang, China; Efen Flores, Mexico

## Carlisle Fluid Technologies

Carlisle Fluid Technologies (CFT) delivered revenues and operating income of \$242.7 million and \$5.3 million, respectively. CFT's 2020 year-over-year sales declined 12.8%. Entering 2020, CFT faced headwinds from difficult global automotive conditions, challenging market dynamics in China, and continued capital project delays with both Automotive and Industrial customers in North America — these headwinds were all exacerbated significantly by COVID-19.

Despite these headwinds, CFT continues to make progress on actions that align with Vision 2025 plans. Stabilization in key end markets, driven by an improved industrial capital spending outlook in 2021, coupled with recent management additions, accelerating new product introductions, pricing resolve, and CFT's efforts to upgrade the customer experience, position CFT well as we enter 2021. CFT also continues to make progress integrating and building our recent Sealants & Adhesives and Foam platform acquisitions.

One particular highlight in this area was CFT's industry-first concept of a combined material and equipment solution, IntelliSpray. Developed and introduced with engineering support from the Polyurethane technical team at Carlisle Construction Materials, this product is uniquely positioned to grow at above-market levels.



Jacob Fortmeyer and Payton Cozart, U.S.A.

Launched over

40

new products in  
the past 3 years

Operationally, CFT drove significant improvement in quality and on-time delivery throughout 2020 despite disruptions from certain facilities hit hard by employee quarantines during the pandemic.

CFT's operating margin of 2.2% was impacted by lower volumes, restructuring, and raw material costs, partially offset by price realization, efficiencies gained from COS, and tighter cost controls.

## CFT's commitment to Diversity & Inclusion 2020 Highlights

- > Trained leaders in HR, COS, and Operations to be aware of Unconscious Biases
- > Reviewed pay across the organization to ensure equity
- > Focused recruiting efforts to ensure a diverse candidate pool
- > Celebrated the Day of Understanding which encouraged candid conversations about diversity and inclusion within our organization
- > Supported local charities with donations, including Code Red Water and Mom's Pantry

From top: H. Watanabe, Japan; Reagan Briggs, U.S.A.;  
Megan Shoemaker, U.S.A.; Dierk Kubutat, Germany



## Carlisle Brake & Friction

Carlisle Brake & Friction (CBF) delivered revenues and operating loss of \$275.3 million and \$3.7 million, respectively. CBF's 2020 year-over-year sales decline of 15.8% reflected severe COVID-19 related market disruptions across the globe. In the face of these headwinds, the team focused on new product development, rightsizing the footprint and driving COS throughout the business.

CBF remains a leading innovator in the off-highway vehicle supply chain, driving advancements in 2020 across all product lines. These advancements further strengthen our diverse product portfolio, positioning CBF to deliver full system solutions for the next generation of hybrid, electric, and autonomous vehicles.

CBF's operating margin of -1.3% was primarily impacted by lower volumes, unfavorable mix, restructuring activities, and wage inflation, partially offset by COS efficiencies and tight cost controls.

On a positive note, orders in all regions rose through the second half of 2020, and entering 2021, demand for Agricultural and Construction equipment is improving.

Achieved  
**40%**  
year-over-year reduction  
in external PPM

The CBF team remains focused on leveraging past restructuring and business process improvement actions, anticipating an improved demand environment in 2021. With exciting, new product introductions in late 2020 and early 2021 and a focus on delivering a world-class customer experience, CBF continues to drive towards delivering on Vision 2025 objectives.



Davinder Kumar, Italy

## CBF's commitment to Diversity & Inclusion 2020 Highlights

- > Trained US leaders in HR, COS, and Operations in Unconscious Bias awareness
- > Sponsored and offered outreach to organizations dedicated to promoting empowerment, equality, and sustainability such as Enactus
- > Piloted an English/Spanish bilingual workforce initiative within one of our product lines in Northeast Ohio
- > As government contractors, review hiring, promotional policies, and representation across all work groups for fairness and consistency on an annual basis
- > Launching Women in Manufacturing membership in 2021 to all locations
  - European leadership is 30% female
  - U.S. has set a 10% improvement goal for increased female and non-white representation across our leadership teams

From top: Chiara Tagliani, Italy; Frank Glover, U.S.A.; Xiaocun Liu, China; Sonia Lopez, U.S.A.



# Responsible Stewardship

As we deliver on Vision 2025, Carlisle remains steadfast in our commitment to ESG and another century of responsible stewardship. 2020 saw meaningful progress on Carlisle's sustainability journey.

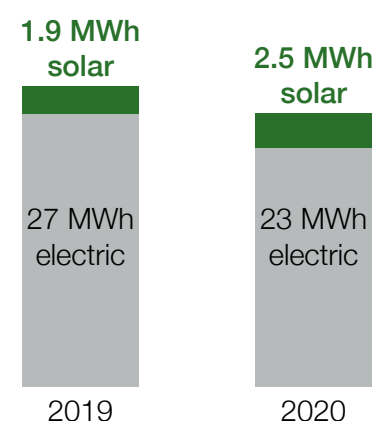
Carlisle began formalizing our reporting efforts in 2018 following a materiality study. Next, we adopted the Global Reporting Initiative (GRI) framework to begin the process of collecting and measuring energy, Human Resources, safety, training, and recycling data.

We placed additional focus on our sustainability efforts in 2019 with the creation of a Center-led Office of Sustainability reporting to the CEO and the establishment of an ESG Steering Committee. Carlisle's first Corporate Sustainability Report, published in 2020, reflected our legacy of sustainability and highlighted our continued stewardship and respect of and for our stakeholders.

Following that first CSR in 2020, we created the Carlisle Environmental Sustainability Policy. The policy proscribes the collection of consumption data from our more than 170 plants across the globe. Data for water, electricity, gas, and hazardous waste were collected to establish baselines for future efficiency targets. The policy further establishes a process to engage our supply chain and ensure compliance with Carlisle policies. Finally the policy formalizes our commitment to certify all our manufacturing facilities to the ISO 14001 Environmental Management System by the end of 2025.

Recent highlights of our ongoing commitment to the environment and GHG reduction include:

- > In 2018, Carlisle installed rooftop solar systems on four facilities to explore energy savings potential. Early results are promising and will inform our decision to extend solar generation to more facilities. During 2020, our four rooftop solar installations generated 2.5 million MWh of electricity, representing 10% of the power consumed in those facilities. That translates to a reduction of GHG emissions by 790 metric tons.



**Rooftop Solar Contribution**  
in megawatt hours of electric power



- > By the close of 2020 we had 16 plants certified to the ISO 14001 Environmental Management System and 4 plants certified to the ISO 50001 Energy Management System



- > In 2020, our Ultimate RB plant in Oregon recycled 3 million tires previously destined for disposal in North American landfills
- > Carlisle's EPDM membrane plants recycled 10 million pounds of scrap in 2020, adding it to the production stream and keeping it from entering the world's landfills

In 2021, Carlisle's journey will continue with plans to:

- > Report additional frameworks including the Task Force on Climate-Related Financial Disclosures (TCFD) and the Sustainability Accounting Standards Board (SASB)
- > Perform energy audits to determine targets to reduce energy consumption and GHG emissions
- > Begin the ISO 14001 Environmental Management System qualification process for an additional 12 manufacturing facilities
- > Launch Carlisle's ESG portal, which will give investors and the general public unfettered access to Carlisle's progress and data related to product-specific efficiency attributes, safety, training, Diversity and Inclusion as well as topic-specific GRI data

From top: Angela Raguz, U.S.A.; Denice Osborne, U.S.A.; Benno Nuijenhuis, the Netherlands; Gloria Piovani, Italy



## Company Officers



**John E. Berlin**  
President  
Carlisle Interconnect Technologies



**Kelly P. Kamienski**  
Vice President  
and Controller



**Karl T. Messmer**  
President  
Carlisle Brake & Friction



**Amelia Z. Murillo**  
Vice President, FP&A  
and Treasurer



**Robert M. Roche**  
Vice President and  
Chief Financial Officer



**Scott C. Selbach**  
Vice President, Secretary  
and General Counsel



**Nicholas J. Shears**  
President  
Carlisle Construction Materials



**Lori A. Snyder**  
Vice President  
Human Resources



**Douglas C. Taylor**  
Vice President  
Carlisle Operating System



**Laura P. Walsh**  
Vice President and  
Chief Information Officer



**Kevin P. Zdimal**  
Vice President  
Corporate Development

## Board of Directors

**Robin J. Adams**  
Former Vice Chairman, Chief Financial  
Officer and Chief Administrative Officer  
Borg Warner Inc.

**Robert G. Bohn**  
Former Chairman, President  
and Chief Executive Officer  
Oshkosh Corporation

**Jonathan R. Collins**  
Vice President, eCommerce  
Global Components  
Arrow Electronics Inc.

**James D. Frias**  
Chief Financial Officer, Treasurer  
and Executive Vice President  
Nucor Corporation

**Maia A. Hansen**  
Senior Vice President,  
Operations & Supply Chain  
Athersys, Inc.

**D. Christian Koch**  
Chairman, President and  
Chief Executive Officer  
Carlisle Companies Inc.

**Gregg A. Ostrander**  
Former Chairman, President  
and Chief Executive Officer  
Michael Foods, Inc.

**Corrine D. Ricard**  
Senior Vice President,  
The Mosaic Company  
President, Mosaic Fertilizantes

**Lawrence A. Sala**  
Former Chairman, President  
and Chief Executive Officer  
Anaren, Inc.

**Jesse G. Singh**  
Chief Executive Officer  
The AZEK Company



Carlisle's Global Headquarters, Scottsdale, Arizona

# Investor Resources

## 10-K Reports

Available online from the SEC, by written request to the Secretary, or at [www.carlisle.com](http://www.carlisle.com)

## Exchange Listing

The Company's ticker symbol on the New York Stock Exchange is CSL

## Change of Address, Dividend Checks, Lost Certificates, Ownership Transfers

Contact the Registrar, Transfer and Dividend Disbursing Agent for the Company at:  
Computershare Investor Services  
2 North LaSalle Drive  
Chicago, IL 60602  
[www.computershare.com/us](http://www.computershare.com/us)  
800 897 9071

## Shareholder Services

800 897 9071

## Website

[www.carlisle.com](http://www.carlisle.com)

## Company Overview

**Carlisle Companies Incorporated** is a diversified industrial company with a global portfolio of niche brands that delivers energy efficient and highly engineered products and solutions for its customers. Driven by our strategic plan, Vision 2025, Carlisle is committed to generating superior shareholder returns by investing in high-ROIC businesses and maintaining a balanced capital deployment approach, including investments in our businesses, strategic acquisitions, share repurchases, and continued dividend increases. Carlisle is headquartered in Scottsdale, Arizona. Its worldwide team of employees generated \$4.2 billion in revenues in 2020.



CARLISLE COMPANIES INCORPORATED

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