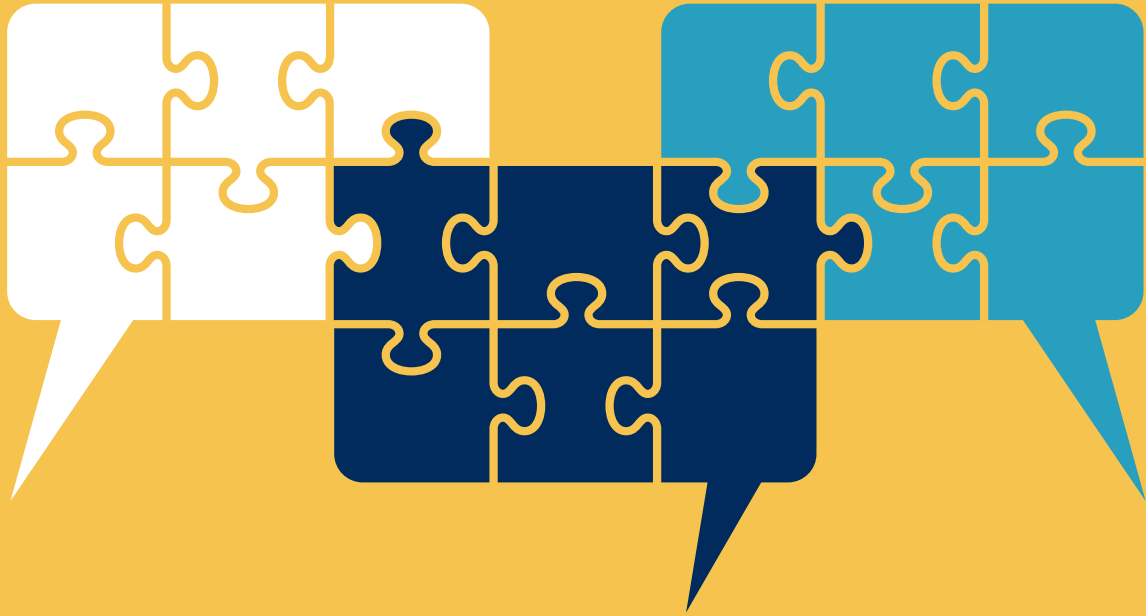


# InVision

A look **inside**.  
A look **ahead**.

## Committing to What Matters





**All voices matter.**



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I'm honored to have served as Chief Financial Officer (CFO) for two months now. In September, during my first week at L&P, I sent an email to our Global Finance Team. I'd like to share an excerpt with you:

"As we begin this journey together, first please join me in congratulating Matt Flanigan for his remarkable career, and in thanking him for his vision, commitment, and leadership during such a transformative period in our Company's history. Matt leaves a very strong foundation and powerful legacy that will continue to serve us as one team in the months, quarters, and years to come.

Over the next several weeks, Matt and I will work together to ensure a smooth transition of responsibilities as we maintain a consistent, strong focus on our hallmark compliance and governance standards. **Equally critical will be our continued commitment to ensuring Leggett achieves its 2019 financial goals, continuing to meet or beat the expectations of our shareholders, and maximizing the value returned."**

These words give you a glimpse into what matters to me – respecting our historic culture while delivering on our commitments. Since writing that email two months ago, I've been much more immersed in L&P, spending time with and learning from many of you. I'm energized by your passion, your ideas, and your commitment to our company.

It got me thinking about what will matter to us in the future, as our company continues to evolve and grow. Certainly, the priorities I outlined in my email are of utmost importance, especially to a CFO! Beyond those, here are four qualities I'm committing myself to, and I hope you will as well.

- That we continue to demonstrate **respect**. It's how we feel safe to express our thoughts and opinions.
- That we hold each other **accountable**. Progress and accomplishment come from doing what we say we'll do – and doing it the right way.
- That we **collaborate** and remain **inclusive**. Success will require dedicated efforts and openness from each of us. **ALL voices matter in our great company.**

I am inspired and excited about what we'll achieve together, and I look forward to embracing the tremendous opportunities ahead.

Best regards,



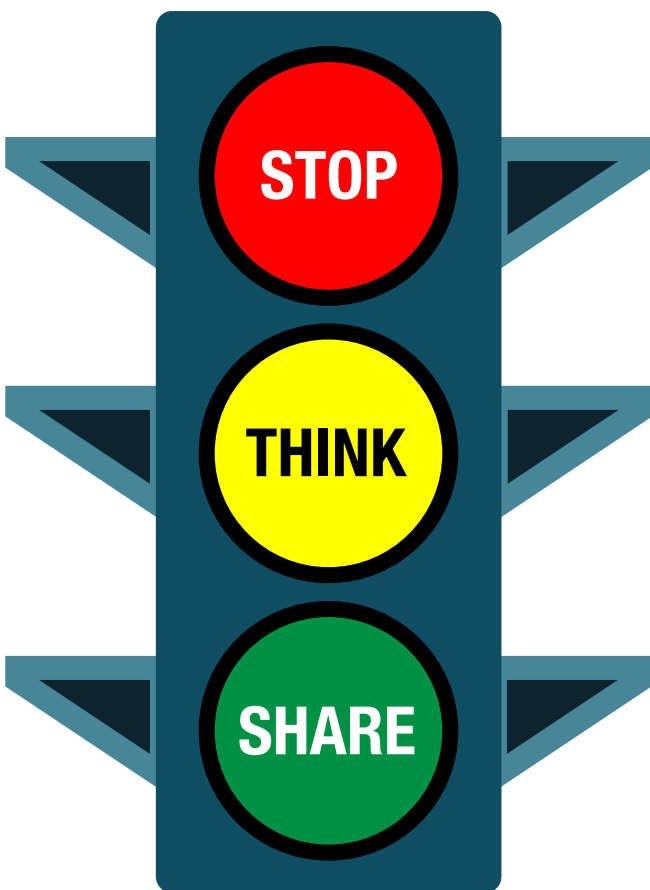
Jeff Tate  
Executive Vice President, Chief Financial Officer



# L&P's Commitment to Privacy & Data Protection

Our lives revolve around data. From social media to banks and retailers – almost every service we use involves the collection and analysis of our personal information. Names, addresses, credit card numbers, and more are collected, analyzed, and often stored by organizations.

As businesses adopt new technologies to process and manage the information they collect, individuals are seeking greater control and clarity about how their personal data stays protected. At Leggett & Platt, we take that responsibility very seriously.



Personal data is any information that could be used to identify someone, either directly or indirectly, such as a name, employee ID, national identification number, address, photo, email address, phone number, bank account number, medical information, and even beliefs or opinions.

## Regulating Privacy Worldwide

Globally, Europe has been at the forefront of privacy and data protection regulation. In mid-2018, the European Union (EU) implemented a data privacy law called the General Data Protection Regulation (GDPR). The obligations imposed by GDPR are not limited to organizations operating in the EU, but rather any organization targeting or processing the personal data of an EU resident or anyone visiting the EU.

GDPR is one of the most robust privacy laws in the world, granting a broad range of new rights to data subjects and levying large fines for violations. Over the past year, GDPR has led to a significant acceleration of privacy legislation development across the globe, including within the United States. That trend is expected to continue. According to Gartner, a leading research and advisory company, half the planet's population will have its personal information covered by local privacy regulations similar to GDPR by 2022.

## Governing Principles

At L&P, we must constantly adapt and respond to new regulations, like GDPR. "Since privacy laws are increasing and constantly changing," says Bonnie Baich, Assistant General Counsel, "we want our employees to think about data privacy in global terms."

Part of appropriately responding to privacy protection laws means adhering to a common set of principles – notice, choice, access, correction, and security.

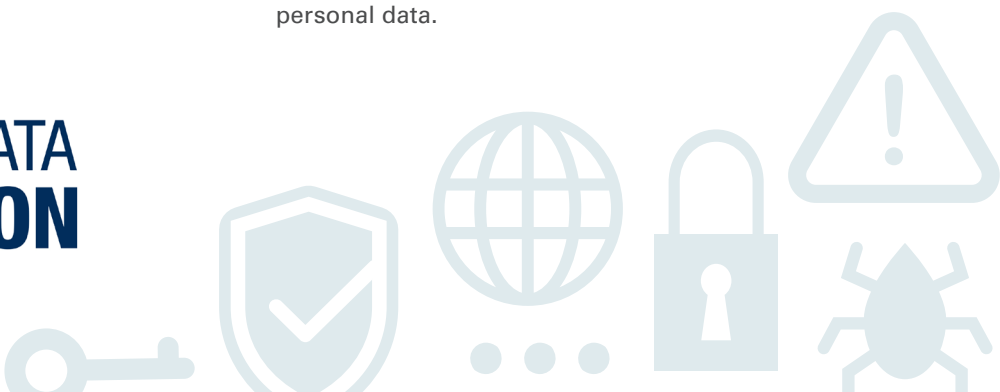
**Notice** – Individuals must be informed that their personal data is being collected and how it will be used.

**Choice** – Individuals must have the option to opt out of the collection or sale of their personal data.

**Access** – Individuals must be able to access personal data held about them.

**Correction** – Individuals must be able to correct personal data held about them if it is inaccurate.

**Security** – Businesses are required to implement appropriate technical and organizational measures to ensure an appropriate level of security to protect personal data.



# Safeguarding Your Privacy

L&P employees should always make privacy a priority. "Privacy is about respect to each other!" says DPO Jan Vitek. "We all have a duty to safeguard personal data and to ensure it is handled appropriately and in accordance with applicable laws."

Follow these simple tips to protect your **personal data** as well as the privacy of fellow employees:



Follow principles of data minimization: You should only collect, process, and store the amount of personal data necessary for each process.



Consider data protection when planning and implementing new or modifying existing business practices.



Protect personal data during transfer using encryption or the L&P FTP site.



To safeguard personal data from unauthorized disclosure: store it securely, use caution when taking it outside the office, and pseudonymize or anonymize when possible.



Retain personal data only for as long as necessary. When it's no longer needed, dispose of it in a secure manner by shredding paper documents or wiping hard drives.

If you have any questions on these tips, please consult the Data Protection Officer or the Legal Department.

## Focusing on Future Compliance

About two years ago, L&P began preparing for GDPR, with a focus on continuous improvement and maintaining compliance into the future. First, we analyzed where personal data is collected, stored, or transferred; who owns the data; and the legal purpose for the personal data we manage.

Once that data was identified, we provided privacy notices to individuals whose data was being processed and conducted risk assessments to identify critical systems and gaps. Utilizing this analysis, we established technical and organizational measures to secure the data, including encryption, firewalls, and new policies and training.

Jan Vitek, L&P's Data Protection Officer (DPO), leads ongoing privacy compliance efforts. "GDPR compliance is not a short-term project," he points out. "It's an ongoing privacy program. We are ready, available, and dedicated to making sure we will not fail."

## Protecting Data at L&P

As a business-to-business company, most of the data managed at Leggett & Platt relates to our employees. Medical claims processed at the Corporate Office, for example, create a significant responsibility for us to safeguard that information. According to Jason Gorham, VP – Human Resources, "As an organization, we've always been cautious with information, whether there's a regulation or not. Protecting data is the right thing to do, and we take it seriously."

Perhaps the greatest threat to protecting data comes by way of cyberattacks. In response, L&P formed a Cybersecurity Committee with representatives from several departments to prevent, prepare for, and combat data breaches. Their efforts have led to trainings, data security staffing additions, initiatives, and even mock exercises allowing employees to simulate how they would respond during an attack.

"We commit many resources toward protecting the data of our employees and the information they have entrusted to us," shares Scott Douglas, Senior VP – General Counsel & Secretary. "Not only is it paramount to us as a company, but it's also the law in many jurisdictions."

# Opportunities and Improvements in Home Furniture:

## Our Commitment to a Legacy Business

For our Home Furniture business, the last several years have brought equal parts challenge and opportunity. The group, which specializes in the manufacture, assembly, and distribution of high-quality components used in the production of upholstered furniture, realized it had to change the way it did business in a rapidly changing market.

According to Tyson Hagale, President of Furniture Hardware, "When we recognized the need for change, the first step was to acknowledge that we don't have all the answers, but we had to get moving. Our team has been working extremely hard and making tough choices to adjust the approach to the market."

### A Shift in the Market

In the past, the market for furniture components consisted only of a few competitors, and smaller "mom-and-pop" stores and family-owned chains were the standard for furniture retailers. Then, the rise of low-cost country manufacturing and big-box furniture and online retailers like Ashley, Wayfair, and Amazon brought a radical shift in the industry.

"With such big retail players emerging, along with the increase in low-cost country component producers, component prices came under significant pressure," says David Brown, President of Seating & Distribution.

Consumer preferences and buying behaviors have also changed within the last decade. While at one time it was common to walk into a local furniture store, purchase a piece of upholstered furniture, and then wait 6-8 weeks for its delivery, consumers now expect more options and more customization, along with a much shorter wait time.

Home Furniture's roadmap illustrates clear and strategic goals moving into 2020 and beyond.



#### Change Segment Focus

Right-size capacity and adjust pricing



#### Improve Innovation Batting Average

Increase customer interaction and speed-up rollouts



#### New Marketing Approach

Build programs and partnerships



#### Leverage Distribution

Maintain global focus



#### Align Organization

Develop strong processes and provide clear roles and accountability

### Making Strategic Choices

With mounting industry changes, the Home Furniture leadership team realized urgent change was necessary to remain competitive. One of the most significant decisions was to shift from a focus on volume and market share to a focus on profitable growth. The team worked to adjust its production capacity to better serve customers.

"We ultimately went through a process of discovery," says David. "We discovered which customers valued us and which customers' needs no longer aligned with us."

### Unifying for Future Opportunities

As Home Furniture looks to the immediate horizon, unifying the team is the most critical goal. "Above all," says Tyson, "we want to foster a mindset that we're one aligned team working together." To reinforce this message and facilitate open dialogue within the last several months, Tyson and David have been visiting operations and also held a group leadership meeting to answer questions about the group's future.

As part of their future vision, the group is working to improve the impact and execution of its innovation efforts and revising its approach to marketing. "We're committed to continuing to bring innovative products to the market," says Tyson, "but we'll be smarter and more efficient in our execution. We'll be better at listening to customers to discover what they want in their upholstered furniture, and we'll work directly with them to figure out targeted, more impactful products."

Ultimately, the business is working tirelessly to regain their position as the most-valued supply partner for residential furniture manufacturers. "I'm proud of everyone who has remained positive and resilient amid the challenges," says CEO Karl Glassman. "Home Furniture is a core business of L&P, and we are very committed to finding its long-term sustainable health."



# L&P Automotive – Changsha:

Investing in the Community We Call Home

L&P teammates in Changsha, China, are getting strategic about service. From organizing a community clean-up to collecting books for an elementary school, Branch 0577 – L&C Changsha Cable Industries – has scheduled eight activities throughout 2019 to show support for the Changsha community.

According to James Ryan, Senior Business Director, Cables – LPA, “Our business is part of a family, part of a community, and we have the power to impact that environment through positive actions.”

Adds Jim Maltbie, Branch Manager – Changsha, “We feel a strong sense of social responsibility to our local community – they support us in many ways, and these activities are some small ways for us to give back.”

L&C’s HR Manager, Jian Tong, coordinates the activities, which have been made possible through contributions from management and the local labor union.



## Cleaning the Community



From sweeping sidewalks to scraping gum off walls, 40 L&C employees cleaned the streets of a nearby residential area.



## Collecting Books



After collecting 1,000 books, L&C made a special delivery to a local elementary school – presenting the donation to the School Headmaster in a special event with 36 students. Sonia Smith, Senior Vice President of Business, Quality, and Operations – LPA, was on hand to distribute the books.

## Donating Supplies



L&C employees delivered formula, diapers, and other much-needed supplies to the local Welfare Institution. Jim Ryan and Jim Maltbie visited with a few of the elderly residents before joining the children in a game.

## Supporting City Employees



L&C provided cool drinks and small gift items to local street sanitation workers during the heat of summer. Steve Henderson, President of L&P Automotive, lent a hand.

The branch has also stepped in with relief supplies for a nearby neighborhood impacted by flooding.

L&C’s current project is directed even closer to home – providing support for L&C employees facing financial hardship. Jim Ryan explains, “We have employees among us with family medical issues or other difficulties, and they need a helping hand.”

More activities are scheduled throughout the rest of the year, and the branch plans to keep the goodwill going in 2020.

# The Face of Finance in Work Furniture: Spotlight on David Candela

According to Kyle Williams, President of Leggett's Work Furniture Group, when it came time to hire a new VP of Finance, David Candela was the perfect choice to redefine the role.

"As the Work Furniture Group underwent a major strategic shift," explains Kyle, "we wanted a head of finance to help us round out that vision and execute our plan. David has surpassed all expectations over the past year and a half. He's a great listener, extremely data-driven, and, once he's formed his opinion, he's candid in sharing his thoughts."



Kyle Williams and David Candela at the offices of Davidson Plyforms.

We recently caught up with David, tracking him down while he was visiting the Work Furniture Group's new facility in Monterrey, Mexico, to talk about his experience at Leggett & Platt.

**The Job:** "The Work Furniture Group has operations across many geographies, with a variety of capabilities. One of our biggest challenges is to profitably manage growth and efficiency opportunities while assuring customer experience. As the leader of our finance function, it's my job to work across our organization to understand operational issues and opportunities and to connect them to the financials in a way that allows us to make the right decisions faster."

**The Perspective:** "I spent the first 14 years of my career at Comerica Bank, Cummins Inc., and then Steelcase (a multi-billion-dollar office furniture company and significant customer of Leggett) in the finance function, and I felt as though I knew the function and the roles really well.

"When I took an assignment managing a 300-employee manufacturing facility in Texas, I soon learned that I was no longer the technical expert. Instead, I learned to rely on and value the cross-functional skills and knowledge of the

members of our plant leadership team. My role changed from being the guy who led from a position of technical knowledge to valuing cross-functional diversity, working with the team to set direction and creating accountability to get things done. From there, I ran the global supply chain for Steelcase's seating operation, and then spent a few years in their distributor M&A function.

"That's a lot of background to say that I often approach financial issues through a broader lens. My experiences have enabled me to appreciate the broader business context in which those issues arise and to rely on the strengths of our team to develop solutions."

**The Approach:** "The finance function serves four key roles within the business, which the accounting and consulting firm Deloitte describes as the Operator, Steward, Catalyst and Strategist. I appreciate the strengths our team has developed in the Operator and Steward roles, and I always enjoy working in the Catalyst and Strategist roles together with Kyle, his leadership group, and our branch teams."

**Operator** – executing the core operational responsibilities of the finance function, such as transaction processing and closing the books.

**Steward** – assuring compliance with financial reporting and control requirements while managing business complexity and optimizing risk/reward trade-offs.

**Catalyst** – working as a member of a leadership team to execute the strategy and solve challenging business problems.

**Strategist** – leveraging the financial perspective to inform and support strategic direction, investment decisions, and capital acquisition.

**The Culture:** "Being relatively new to Leggett, I can't say enough about the company's culture. **At all levels of the organization, there's an interest in finding out what everyone thinks so we can arrive at the best solution for Leggett and our customers.** And as a problem-solver who values both analytics and judgement, I also appreciate the practical approach to decision making – I see a good balance between the analytical rigor applied to a problem and the need to arrive at a timely, real-world solution."

"Working with Kyle has been a great partnership. We each bring our own perspectives to the challenges facing the business, and we have complementary skillsets to address them. We're making changes to increase the collaboration and coordination throughout the Work Furniture Group, which will help us serve our customers better and improve our results."