

HEALTH AND SAFETY POLICIES

At Watsco, we continuously strive to improve all aspects of our work practices. We actively support a culture of safety and wellness for the benefit of our employees and their families along with our customers. Providing a safe and healthy work environment is a business priority and is core to our values. Health and safety are an essential part of a broader workforce strategy that reduces the risk of harm to employees and helps them remain healthy, engaged and productive. We categorize our safety and wellness monitoring into the categories outlined below.

To build and sustain a culture related to these principles, our commitment to safety and wellness is incorporated into the incentive structure for our key operational leaders. For wellness, we measure employee engagement in completing annual physicals and health assessments so that our philosophical values are put into action. For safety, we measure and seek continuous improvement in claims related to workers compensation, vehicle accidents and injuries to third-parties. Measurable outcomes matched with meaningful incentives have led to improved performance over the last several years.

Health and Wellness

We believe that healthy workers are the best workers. Our approach to improving overall employee health is centered on a comprehensive Wellness Program that provides the necessary resources to encourage employees to lead healthier lifestyles.

Employee Wellness Program

Some of the benefits offered to employees include:

- A medical plan that pays 100% of the cost of preventive care such as annual physicals, mammograms at age 40, colonoscopy at age 50, prostate screening at age 50, heart screening at age 65, bone density screening at age 65, vaccines and generic preventive drugs.
- The Watsco Wellness Incentive, a cash incentive, which is deposited into an employee's Health Savings Account upon completion of a free annual physical and completing a personal health risk assessment interactive survey. An additional incentive is provided to the employee's spouse if the spouse also completes both steps.
- We have a full-time Registered Nurse to help employees navigate medical care, especially focused on disease management and complex situations.

- Teladoc, a digital solution that provides 24/7/365 access to U.S. board-certified doctors by web, phone or mobile app. Employees can easily get resolution to a wide range of health issues, including cold, flu, upper respiratory infections, cough, pink eye, allergies and more.
- Employee Assistance Program services are provided to employees and their family members at no cost through Health Advocate, a confidential program that is available 24 hours a day, 7 days a week to help handle stress, depression, addiction, child care, elder care, legal questions, grief and loss, family relationships, parenting, and more.
- Employees are given the choice to participate in an employer-paid Tobacco Cessation Program through the American Cancer Society. Available resources offered as part of the “Quit for Life Program” include online tools, support, personal coaching and services to quit tobacco use.

Workplace Safety

Our employees are our greatest asset and therefore, protecting their well-being is a priority. Our overall goal is to be an injury-free workplace and we use training, monitoring and goal setting to move towards this objective.

Our guiding principles to achieve this goal are for our leadership and local managers to:

- Provide the safest workplace environment possible and look for ways to continuously improve upon the safety in our locations. Constant vigilance is key to maintaining a safe work environment.
- Actively engage and demonstrate their commitment to an injury-free workplace. We understand that for an idea to be successfully adopted and implemented, management must fully support the initiatives and provide examples that enables employee growth.
- Empower employees to become accountable for their own actions. Our employees have the right and duty to stop unsafe situations without retaliation.
- Take the steps necessary to prevent injuries through investigations, training for safe work practices and share information throughout our network.

Fleet Safety

Watsco operates a fleet of more than 600 ground transportation vehicles, including delivery and pick-up trucks, vans, and tractors. Vehicle accidents are costly, but more importantly, they may result in injury to our drivers or others within the communities we

operate in. We encourage our drivers to operate all vehicles in a safe manner and to drive defensively to prevent injuries and property damage.

We have safety and training programs, including driver evaluation, operating policies, safety inspections/audits, and safety awareness training. In addition, the majority of our leased vehicles have been equipped with telematics technology to ensure safe driving practices and efficient fuel utilization. We also closely monitor and evaluate third-party providers to determine compliance with laws, regulations and safe practices.

We are continuously improving efforts to mitigate the environmental effects related to fleet activities. The fleet is reviewed and upgraded on a regular basis to improve fuel efficiency and reduce the emission of greenhouse gases and air pollutants. We are also focused on preventative maintenance of the fleet to ensure that the vehicles are operating as efficiently as possible.

Environmental Health

Our business is subject to federal, state and local laws and regulations relating to the storage, handling, transportation, and release of hazardous materials into the environment. These laws and regulations include the Clean Air Act, relating to minimum energy efficiency standards of HVAC systems, and the production, servicing, and disposal of more environmentally friendly refrigerants used in such systems, including those established by the Kigali Amendment to the Montreal Protocol concerning the phase-down of the production of HFC-based refrigerants for use in new equipment. We are also subject to regulations concerning the transport of hazardous materials, including regulations adopted pursuant to the Motor Carrier Safety Act of 1990. Our operations are also subject to health and safety requirements including the Occupational, Safety and Health Act.

Protecting the environment and our employees and using resources responsibly, while maintaining compliance with all applicable laws and regulations, is a foremost concern. All employees are encouraged to report any environmentally harmful acts that they become aware of with no threat of negative repercussions on their part.