

HUMAN RIGHTS POLICY

Watsco is committed to the protection and advancement of human rights guided by values that inspire how we conduct our business. These values capture our responsibilities to our employees, customers, communities, and shareholders. They also bond our more than 7,000 employees with a shared principle that an individual's basic rights and dignity must be provided and respected. To uphold our core values, we have created the following guiding principles to guide the conduct of our business:

- Respect for the individual regardless of nationality, race, sex, or other attributes that makes each human being unique.
- Protect the rights of women and minority groups.
- Compliance with all laws, including all employment laws and regulations, throughout our network.
- Respect for the environment and compliance with laws and regulations in the jurisdictions in which we operate.
- Promote social consciousness, awareness and empathy toward others that may be less fortunate as a result of their birthplace or family upbringing.
- Sustain the cultural belief that our employees are our most important asset and provide a safe workplace through training and awareness.
- Commit to conduct our business in an ethical and responsible manner that supports and respects the protection of human rights.
- Partner with businesses who aspire to conduct their business in a similar manner.

While it is the duty of governments to protect the rights of their citizens, we recognize that our business can play a critical role. As the leader in our industry, we believe we have an opportunity to positively impact the protection of human rights throughout our marketplace. To this end, we encourage and support our suppliers and other business partners in their efforts to act in accordance with recognized human rights standards.

Diversity and Inclusion

We value and foster the diversity and inclusion of the people with whom we work. Diverse teams facilitate contributions from people of diverse backgrounds and varied points of view. Furthermore, well managed diverse teams make better decisions faster and outperform less diverse teams. Employees who feel valued, understood, and inspired benefit the company as a whole. Inclusive leadership leads to innovative solutions and an inclusive environment is a critical foundation for Watsco, as high performing, engaged teams join together to help us implement our strategies.

Non-Discrimination and Equal Opportunity

We are committed to equal opportunity and will not tolerate acts of discrimination or harassment. It is the policy of Watsco to provide employment and advancement opportunities to all individuals, where employment decisions are based on merit,

considering qualifications, skills, and achievements. We do not discriminate in employment and advancement opportunities or practices on the basis of race, color, religion, national origin, age, disability, veteran or military status, pregnancy status, sex, gender identity, sexual orientation, marital status, or any other characteristic protected by applicable law. We seek to maintain a highly productive organization of people who represent differences in viewpoints, cultures, races, and gender, and embrace good ideas produced by that diversity. This will be accomplished through selection and training of qualified people and will provide them with compensation, benefits, and opportunities for advancement without discrimination.

Child Labor and Human Trafficking

We will not tolerate the use of child labor or human trafficking. We will not tolerate the exploitation of children or the trafficking, physical punishment, abuse, or involuntary servitude of any worker. We do not and will not employ child labor in any of our operations and facilities. In addition, we will not knowingly engage a supplier, or enter into a joint venture with an organization that directly, or indirectly through a third party, employs child labor. We define “child labor” as work or service from anyone under the age of 18. We support participation in workplace internships and apprenticeship programs, as long as they comply with all applicable laws regarding vocational or technical education and light work.

Forced Labor

We do not and will not employ forced labor in any of our operations and facilities. In addition, we will not knowingly engage a supplier, or enter into a joint venture with an organization, that directly or indirectly employs forced labor or employs persons who were trafficked into employment.

We define “forced labor” as any work or service not voluntarily performed and extracted from an individual under the menace of penalty and/or subject to unduly burdensome conditions such as, but not limited to, the surrender of government-issued identification, passports, or work permits, or any other limitations inhibiting the employees free will with respect to work.

Freedom of Association and Collective Bargaining

Watsco will adhere to applicable laws regarding the right of our employees to affiliate with lawful organizations without interference.

Employee Grievances

We support mechanisms for employee grievances, resolution of disputes, and complaints of discrimination made in good faith that protect the employee’s privacy, allow for anonymous reporting, and protect the employee against retaliation. Retaliation or attempted retaliation is a violation of this Policy and anyone who engages in retaliatory behavior may be subject to discipline.

Compensation

We compensate our employees in accordance with market practice in a manner that supports their ability to meet their basic needs. We pay wages that meet or exceed the legally required wages or, where no wage law exists, the local industry standard. We also offer our employees the opportunity to improve their skills and capabilities.

Working Hours

We comply with all applicable laws and industry practices on working hour schedules.

Health & Safety

We understand that in addition to minimizing the incidence of work-related injury and illness, a safe and healthy work environment enhances the quality of products and services, as well as worker retention and morale. We also recognize that ongoing worker input and education is essential to identifying and solving health and safety issues in the workplace. We believe that all injuries and occupational illnesses, as well as safety and environmental incidents, are preventable. We promote and advocate for on-the-job and off-the-job safety for our employees. For further information please see our policies on Health and Safety.