

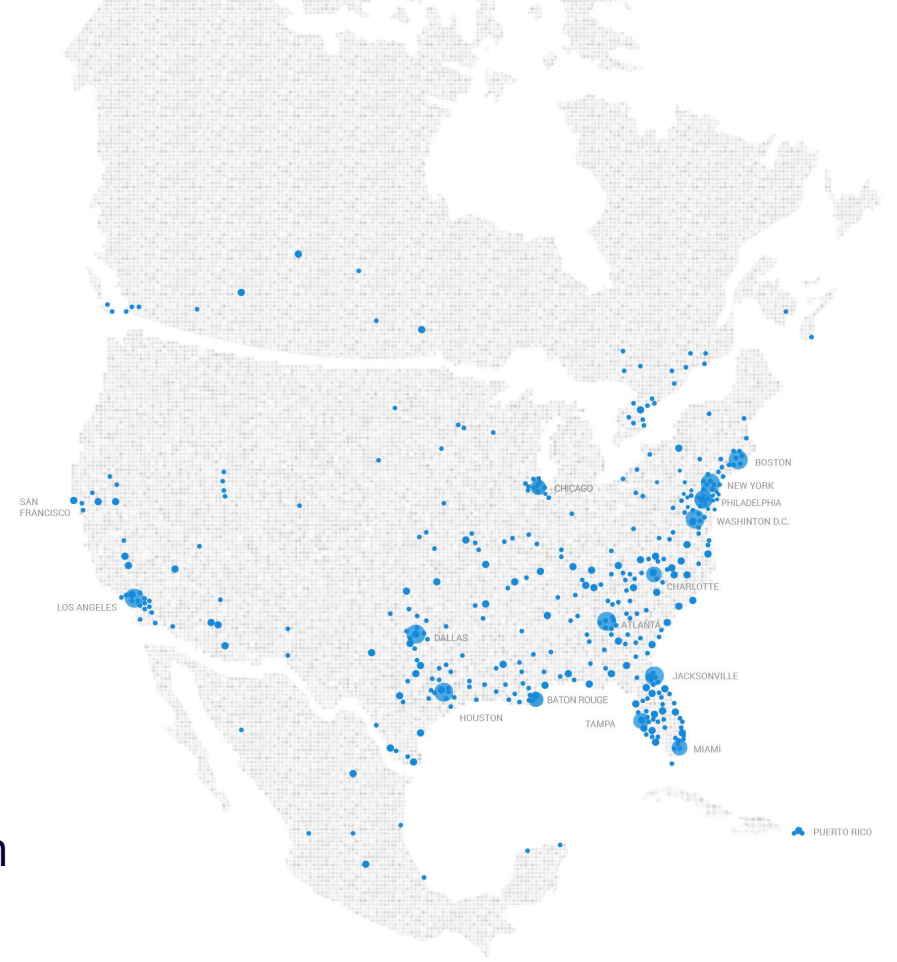


EMPLOYEE CODE OF **BUSINESS ETHICS AND CONDUCT**



Message from our Chairman
of the Board and CEO,
Albert H. Nahmad

“Ethics are the foundation of how we run our business and what defines our success as a leader in the HVAC/R industry. Compliance with our Code of Business Ethics and Conduct is required at all times. Each one of us has the responsibility to report any violations immediately.”



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WHO WE ARE

CORE VALUES



- **INTEGRITY**

It's a core tenet of our organization. We act with integrity every day.

- **INNOVATION**

Together we are developing a new paradigm to grow with technology, efficiency, and expertise.

- **GROWTH**

We pride ourselves on our long-term thinking and build with that goal in mind.

- **EXCEPTIONAL CUSTOMER EXPERIENCE**

We help our customers transform their companies so they can win more often in the marketplace.

“We consider ourselves entrepreneurs and our success in large part is attributable to the entrepreneurs that have joined our company.”

Aaron (A.J.) Nahmad, President

INTRODUCTION

The Code of Business Ethics and Conduct (“Code”) is designed for all Watsco, Inc. and its subsidiaries’ (“Watsco” or the “Company”) employees to reaffirm and further implement Watsco’s standing policy of strict observance of all laws and ethical standards. This Code is intended to influence how we conduct ourselves in the workplace and to identify areas where, if additional guidance is needed, such guidance can be received.



INTEGRITY

We strive to achieve and maintain the highest ethical standards in all our actions. As a company, Watsco has strived to deal fairly with its contractor customers, vendors, employees, lenders, investors, and the general public. This manner of operation has earned Watsco a reputation as an honest and ethical organization. It is our objective to assure that we continue to uphold our standards. To ensure that happens, we need to be aware of the Company's policies regarding business ethics and conduct.

We are always expected to comply with all applicable laws. In this Code, we cite several areas where our policies are clear, and we are expected to comply fully with such policies. It is not possible, however, to list all of the various situations in which questions of business ethics and conduct might arise. Business ethics can be subjective. Some issues will require you to exercise your own best judgment given a particular set of circumstances.



KEY POINTS

We are all responsible for familiarizing ourselves with the standards, policies and laws that govern our business.



ETHICAL DECISION-MAKING

If you have doubt as to whether your actions comply with all applicable laws, ask yourself:

1. Are my actions legal?
2. Am I honest?
3. Will my actions stand the test of time?
4. How will I feel about myself afterward?
5. How will it look in the newspaper?
6. Will I sleep soundly tonight?
7. Would I advise my child or a family member to take this action?

If you answer No to any of these questions, **DO NOT** move forward and seek guidance.

SEEKING GUIDANCE

If you are still not sure about what to do, ask... and keep asking until you are certain you are doing the right thing. If you are still in doubt as to what constitutes proper conduct, contact your manager, Human Resources, the Watsco Legal Department, a member of the Corporate Assurance Committee, or if appropriate, the Chairperson of the Audit Committee.

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OUR CODE

ADMINISTRATION OF THE CODE

This Code is administered by the Corporate Assurance Committee, which has been charged with the responsibility for monitoring performance under this Code and for resolving concerns. The Director of this team oversees a vigorous companywide effort to promote a positive, ethical work environment for all employees. We are encouraged to seek guidance regarding the application or interpretation of this Code from any member of the Corporate Assurance Committee and are expected to cooperate fully in investigations of any potential violation of this Code. If you desire to report a possible violation of this Code, contact your supervisor, Human Resources, the Watsco Legal Department, or if circumstances warrant, a member of the Corporate Assurance Committee. Any claim of a possible violation may be made anonymously if a claimant so desires. All claimants are guaranteed confidentiality, as far as permitted by law, in the handling of the potential violation.



Corporate Assurance Committee



Corporate Assurance Committee Members

Sergio L. Rodriguez - Director

Watsco Senior Director of Internal Audit and Compliance

Ana M. Menendez

Watsco Chief Financial Officer

Barry S. Logan

Watsco Executive Vice President

Corporate Assurance Committee Contact

Call (866) 492-6800
Write Director, Corporate Assurance Committee
Watsco, Inc.
2665 South Bayshore Dr., Suite 901
Miami, FL 33133
E-mail confidentialemail@watsco.com

Watsco Legal Department

Call (305) 714-4166
Write Watsco Legal Department
Watsco, Inc.
2665 South Bayshore Dr., Suite 901
Miami, FL 33133
E-mail legal@watsco.com

Chairperson of the Watsco Audit Committee

Write Denise Dickins
Audit Committee Chairperson
Watsco, Inc.
2665 South Bayshore Dr., Suite 901
Miami, FL 33133
E-mail watscoauditchrnmn@watsco.com

DISCIPLINARY ACTIONS

Appropriate personnel will investigate all claims of violations of this Code. A determination that an employee has violated this Code will subject the employee to appropriate discipline, including dismissal. However, the Code does not set forth all of the reasons or situations in which employees may be disciplined.

CODE MODIFICATIONS AND PREVALENCE

This Code supersedes all prior employee codes of conduct and is not an employment contract. The Company may modify this Code at any time it deems appropriate. From time to time, individual business units may have policies and procedures, handbooks, and individual codes of conduct, which supplement this Code, but to the extent of any conflict between this Code and such supplements, the terms of this Code will prevail.



RAISING CONCERNS

Watsco is dedicated to providing a work environment in which we are free to express concerns or report apparent violations without fear of retaliation. Watsco calls upon every employee to report violations or suspected violations of the Code. You are encouraged to work with your supervisor in making a report. If the situation warrants, you may make a direct report to the Watsco Legal Department, the Corporate Assurance Committee, or the Chairperson of the Watsco Audit Committee.

CONCERNS MAY INCLUDE BUT ARE NOT LIMITED TO:

- Improper tracking and reporting of accounting records
- Falsification of records
- Theft or fraud
- Violence or threat
- Discrimination or harassment
- Policy violations
- Violations of the law
- Misuse of company assets
- Conflicts of interest
- Kickbacks or bribes
- Unsafe working conditions
- Substance abuse

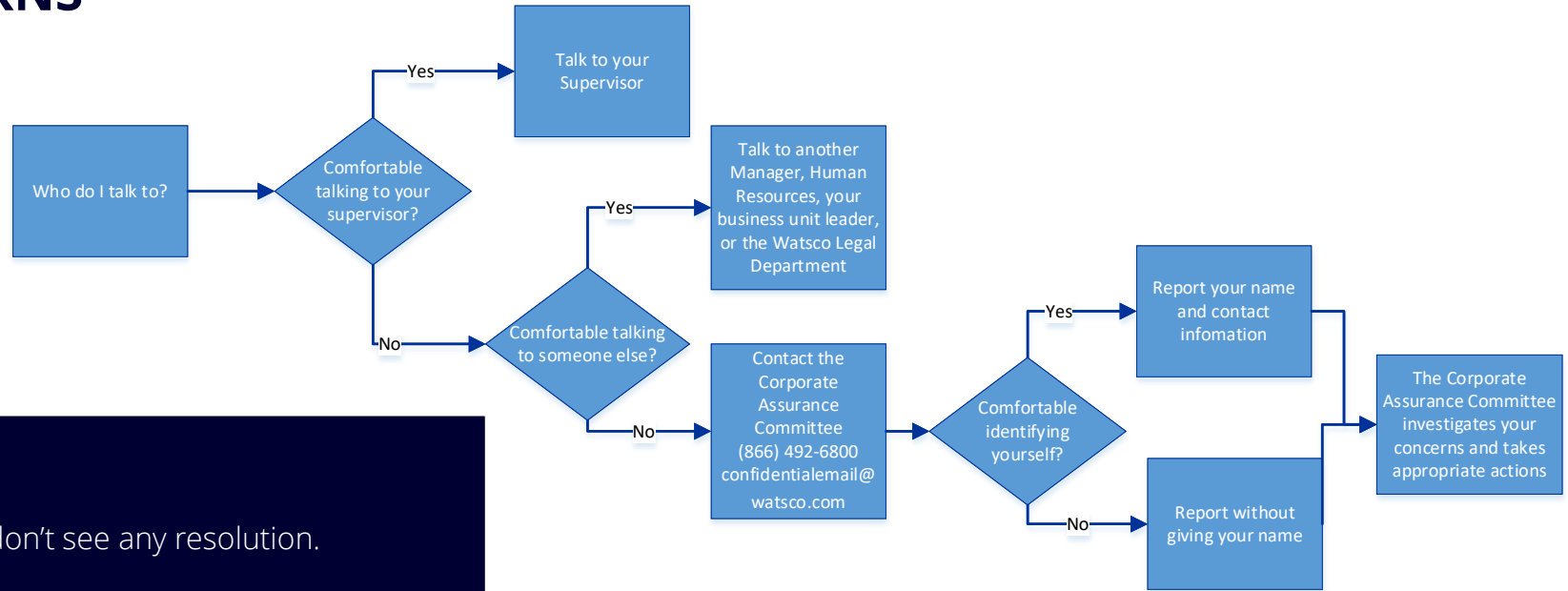
KEY POINTS

- You are encouraged to raise concerns
- You may remain anonymous
- Confidentiality is protected
- Retaliation is prohibited

If you make a report:

- We will handle reports as confidentially as possible. You will not suffer indignity or retaliation because of a report you make.
- Your concerns will be seriously addressed and, if not resolved at the time you call, you can be informed of the outcome once the investigation has been concluded.
- You need not identify yourself.
- Remember, there is never a penalty for making a proper report of an ethics violation. Employees in a position of authority cannot stop you; anyone who tries will be subject to disciplinary action up to and including termination.

HOW TO RAISE CONCERNS



QUESTION

"I raised a concern with my supervisor, but I don't see any resolution. What do I do now?"

ANSWER

Sometimes it takes time to thoroughly investigate an issue. Your manager may be waiting for resolution. Ask for an update. If you are uncomfortable with the resolution or lack of resolution, feel free to contact a manager, Human Resources, or your business leader. If you are still uncomfortable, you can contact the Watsco Legal Department, the Watsco Corporate Assurance Committee, or the Chairperson of the Watsco Audit Committee.



RAISING CONCERNS IN GOOD FAITH

We make reports in good faith. Good faith means a belief in the truth of the report which a reasonable person in the same or similar position could hold based on the facts. Unfortunately, a program like this can be abused. From time to time, an employee may attempt to harm or slander another employee with false accusation, malicious rumors, or other irresponsible actions. Such attempts or any misuse of this system for reporting concerns will be subject to discipline.

QUESTION

“My supervisor instructed me to take an action I knew was a policy violation. Should I say nothing and do as instructed, or should I speak up?”

ANSWER

Being asked by a supervisor to violate policy does not make it right or allowable, nor does it provide immunity from employment action. If asked to do something that you know is against policy, you should contact a next-level manager, Human Resources or Watsco Corporate Assurance.

KEY POINTS

Good faith means that you are not knowingly making a false accusation but sincerely believe that there is a legitimate issue.



SPECIAL RESPONSIBILITIES FOR MANAGERS AND SUPERVISORS

While we are all responsible for upholding our company's policies and ethical standards, employees often look to those in leadership roles to champion our Code. As a result, these positions come with additional responsibilities, including:

1. Model the highest ethical behavior.
2. Foster a positive work environment in which only legal and ethical behaviors consistent with our Code are acceptable.
3. Listen respectfully and respond appropriately and timely to employees who seek guidance or raise concerns.
4. Achieve performance goals in ways that are consistent with the Code.
5. Obtain the knowledge, resources, and training needed to follow the law and our Code.
6. Never retaliate against an employee who makes a report in good faith.



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OUR PEOPLE

CONFLICTS OF INTEREST

It is the Company's policy that we avoid any interest, activity, or relationship that conflicts or *appears* to conflict with the Company's interest. We owe a duty of loyalty to the Company and should take care to avoid situations in which there is even the appearance of actions for reasons other than the benefit of the Company. Personal interests must not conflict with Company interests.

Here are some ways a conflict of interest could arise. The list is not intended to cover every situation. Ask yourself the questions in the "Quick Test" on the next page. If you are still unsure, seek guidance.

- Employment by a competitor, supplier, or related business, or other relationship that might be opposed to the interest of Watsco, while employed by Watsco
- Placement of business with a firm owned or controlled by an employee or his or her family
- Ownership of, or substantial interest in, a company that is a competitor or supplier
- Acting as a paid consultant to a Watsco customer or supplier
- Transactions with the Company that are outside the customary employment relationship
- Accepting tips or other forms of compensation from customers for providing better pricing on purchases (e.g., lunches, sporting event tickets, etc.)



KEY POINTS

We make decisions and act in the best interest of Watsco rather than for personal gain.

CONFLICTS OF INTEREST

Relationships (which may include family members or other personal relationships within any supervisory chain) that might impair an employee's independence or judgment, or result in disruptions in the workplace, or other performance problems may result in a conflict of interest. Reporting levels between a supervisor and a family member should exist to preclude conflict of interest concerns.



Employees should report actual or potential conflicts of interests when they arise on the "Code of Conduct Conflicts Disclosure Form" to his/her manager and the Human Resources department. Failing to report may result in corrective actions, up to and including termination.

Conflict of Interest Quick Test:

- Are my actions legal?
- Does the situation involve personal activities or relationships that could interfere with my objectivity?
- Will I feel obligated to someone else?
- Would someone else feel obligated to me?
- Is there a chance, however small, that my actions would give others the *appearance* of impropriety or divided loyalty?
- Will I personally benefit from my actions?

If you answer "yes" to any of these questions, there is a high probability that your decision will result in a real or perceived conflict of interest. If you are unsure about how to proceed, seek guidance.

COMPLIANCE WITH ANTITRUST LAWS

We must strictly comply with state and federal Antitrust laws. These laws prohibit anti-competitive behaviors such as agreements or understandings among competitors to fix or control prices; to boycott specified suppliers or customers; to allocate products, territories, or markets; or to limit the production or sale of products or product lines.

Such agreements are against public policy, and against Watsco policy. We must not engage in discussions of such matters with representatives of other companies. You should report to the Watsco Legal Department, or any member of the Corporate Assurance Committee any instance in which other companies initiate such discussions.

KEY POINTS

We compete ethically and fairly based on products, services, and price.

QUESTION

"I was at a trade conference. A competitor approached me to suggest a way we could divide our market geographically to stop competing and offer our products at higher margins. I walked away from the conversation. Was that the right thing to do?"

ANSWER

Yes. Continuing the conversation might mean running the risk of engaging in subjects that are protected by competition laws and not permissible under our Code. Walking away from the meeting was the right thing to do to avoid even the appearance of inappropriate activity. Contact the Watsco Legal Department or the Corporate Assurance Committee to report the incident.

DRUG, ALCOHOL, AND OTHER PROHIBITED ITEMS

The Company prohibits the use, possession, distribution, manufacture, or transportation on Company property, or on Company business, or during working hours by employees or others, of the following:

- Illegal drugs
- Equipment or paraphernalia relating to illegal drugs
- Prescription drugs in possession of anyone other than the person for whom they were prescribed by a licensed physician
- Alcoholic beverages, except as specifically authorized for Company functions
- Any drug that would impair an employee's ability to perform his/her duties in a safe manner

In addition, the Company prohibits employees from being under the influence of illegal drugs or alcohol on Company property or during working hours, as well as the use, possession, distribution, manufacture, and transportation of illegal drugs off Company property that adversely affects the individual's work performance, the individual's or others safety at work, or the Company's reputation in the community.

QUESTION

"I'm currently taking medication that may cause drowsiness. We are very busy and I'm the only staff that can operate a forklift. Do I need to tell my supervisor?"

ANSWER

Yes. Employees who are using prescription or nonprescription drugs that may impair their alertness or judgement should inform their supervisor upon reporting to work to prevent potential injuries to the employee or others.

COMPANY PROPERTY, SECURITY, PRIVACY, AND SEARCHES

Watsco reserves the right, at all times, and without prior notice, to inspect and search any and all Watsco property for the purpose of determining whether this policy or any other Watsco policy has been violated, or for the purpose of promoting safety in the workplace, or compliance with state and federal laws. Such inspections and searches may be conducted during or after business hours, and in or outside of your presence. Employees should not have an expectation of privacy as to any information or files maintained in or on Watsco's property or transmitted or stored in or through Watsco's voice mail, e-mail, computers, or other technical resources.

KEY POINTS

We use Company property in ways that do not reduce the value of the property, negatively affect job duties or productivity, create additional costs, or put the Company at risk.



Company property may include:

- **Information assets**, such as any data related to our business
- **Financial assets**, such as money, financial instruments, or anything that can be converted into money
- **Physical assets**, such as inventory, equipment, computers, buildings, vehicles, and office supplies
- **Intangible assets**, such as ideas, copyrights, trademarks, patents, trade secrets, corporate business opportunities, and our reputation

INTERNET AND E-MAIL PERSONAL USAGE

We have the responsibility to use computer resources in an efficient, moral, ethical, and lawful manner. All Internet/Intranet data, that is composed, transmitted or received via Company communication systems is considered to be part of the official records of the Company and is subject to disclosure to law enforcement officials and other third parties. The Company has the right to monitor any and all aspects of its computer systems (includes portable computers owned or purchased by the Company), including employee electronic messaging, to ensure compliance with this policy. Employees should not have an expectation of privacy in anything they create, send, or receive via the Company's electronic communications systems.

Employees may use approved artificial intelligence (AI) tools for business purposes. Employees must not input confidential or proprietary information into public AI systems and remain responsible for verifying the accuracy and appropriateness of AI-generated content. AI use must comply with all company data security, confidentiality, and ethical standards.

SOCIAL MEDIA

We recognize that employees often engage in social media to connect with others. Employees who choose to use social media should not share anything that could reasonably be viewed as malicious, obscene, threatening or intimidating, that disparages customers, suppliers, or employees, or that might constitute harassment or bullying. We also respect the privacy of the Company, coworkers, customers, and suppliers, and should not share or discuss matters regarding them on social media. We NEVER publish or share confidential, sensitive, and nonpublic Company information in any format; including social media. If you identify yourself as an employee of the Company, or are known to be one, what you post can affect the reputation of Watsco. Assume that everything you post on social media will become public, and there could be consequences for what you publish.

Social media may include but is not limited to:



TikTok



Facebook



X (Formerly Twitter)



Instagram



LinkedIn



Reddit



YouTube

Corporate or personal
blogging sites



SALE OF NON-WATSCO PRODUCTS ON COMPANY PROPERTY

We may not sell non-Watsco products on Company property at any time unless we have permission from an authorized officer of our business unit.

USE OF COMPANY AND PERSONAL VEHICLES

We operate motor vehicles safely and adhere to all applicable driving laws and regulations when on Company business.

WEAPONS

The Company prohibits, to the extent consistent with law, all persons who enter Company property from carrying a handgun, firearm, or lethal weapon of any kind onto the property regardless of whether the person is licensed to carry the weapon. This policy applies to all Company employees, contract and temporary employees, vendors, visitors, and customers on Company property. The only exceptions to this policy are police officers or security guards and other persons who have been given prior written consent by the Company to carry a weapon on the property. In addition, all employees are prohibited from carrying a weapon while performing any task on behalf of the Company, or while attending any Company-sponsored functions.



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OUR BUSINESS

GIFTS AND ENTERTAINMENT

We may accept non-monetary gifts, meals, or attend entertainment events if minor in value and a common courtesy associated with normal business relationships. We politely decline any gifts outside these guidelines.

We do not solicit or accept any gift of any value or favor that commits us and/or Watsco to a business obligation, or which appears lavish or improper. We do not seek to gain special advantage for Watsco or ourselves using business gifts, favors, or entertainment if it could create even the *appearance* of impropriety.

In certain settings, it may be customary or appropriate for us to provide business courtesies such as reasonable entertainment and modest gifts. Any gifts, meals, or entertainment we provide should be for a proper business purpose, reasonable in value and frequency, appropriate under the circumstances, legal, accurately recorded in the books and records, and not intended to secure an improper advantage or otherwise influence the recipient inappropriately.

Gifts to a spouse or other family members motivated by or related to a business relationship are subject to this policy.

KEY POINTS

- We never ask for gifts
- We only accept gifts that are reasonable in value, infrequent, and would not interfere with our objectivity
- We never offer or accept bribes or kickbacks

QUESTION

"I provided a competitive price on equipment for one of my customers who gave me a \$20.00 tip for doing so. Can I keep this tip?"

ANSWER

No. Cash and gift cards are monetary gifts employees should not accept. Accepting any form of payment or receiving personal benefits for providing customers with better pricing or services creates a conflict of interest. You should politely decline the tip.

BRIBES

A bribe is the offering or giving of something of value in exchange for a decision or action that, except for the bribe, would not have been made, or not made in the same amount or manner. We should not give or take bribes, kickbacks, gratuities, or any other illegal payments in exchange for favorable treatment.

All employees who come in contact with government officials – domestic or foreign – must maintain the highest professional standards. We never offer anything of value to such officials to obtain a particular result for the Company. We take particular care when dealing with the companies that are government-owned or that have ties to government agencies: their employees might be considered “government officials” who we must be careful not to influence unlawfully.

The Foreign Corrupt Practices Act, a federal law, deals specifically with U.S. companies operating in foreign countries.



QUESTION

“The local authorities have held up our construction permit request without any explanation. It is going to delay our branch opening. The officials said that we could pay an unofficial fee to expedite the approval process. How should we proceed?”

ANSWER

Do not proceed. Regardless of local practices, giving cash or making payments “under the table” is prohibited. Contact your business unit leader, the Watsco Legal Department, or the Watsco Corporate Assurance Committee for advice.

CONFIDENTIAL INFORMATION

We must always, while employed and thereafter, keep in confidence all non-public information of or about the Company. Confidential information refers to information of a confidential or proprietary nature related to the Company, its employees, its business, its customers, or vendors and their businesses which were gained as a result of our position as employees of Watsco. Access to employee records is strictly limited to managers and others with a specific need for the information to perform their duties. We must not disclose confidential information to anyone outside the Company, except to a person authorized by the Company to receive that information. Even within the Company, we should only disclose or discuss confidential information, especially financial information, with those employees who have a valid need to know. We must keep the Company's documents and computers protected and secure.

Examples of Confidential Information:

- Employees and business partners' personal data such as home address, age, race, religion, political affiliation, sexual orientation, identification, financial account numbers, medical information
- Non-public financial information
- Business forecasts, plans, and strategies
- Acquisitions
- Trade secrets
- Suppliers' terms and conditions of purchases
- Information concerning potential acquisitions
- Employees, customers, and suppliers' lists
- Customer data
- Pricing information
- Operating procedures
- Marketing plans

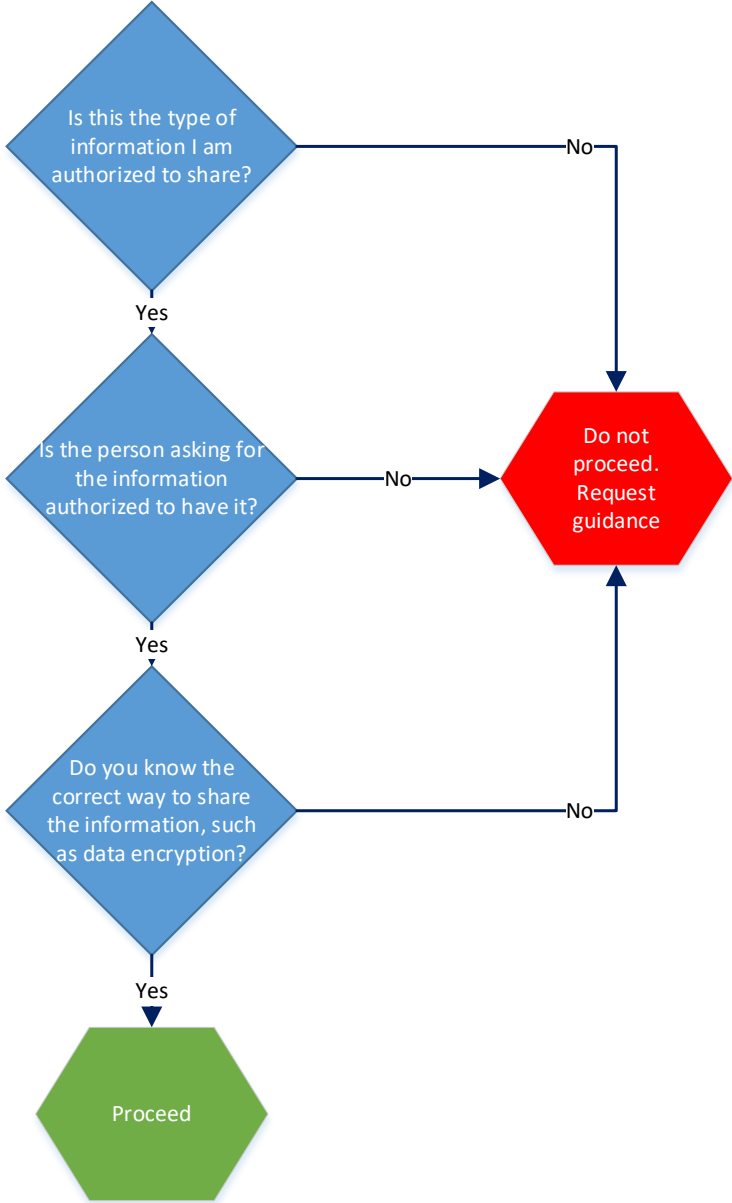
Some ways to Protect Confidential Information:

- Securing and limiting access to confidential information to those who need to know
- Not talking about confidential information in public areas
- Not working in public places where there is the risk of such information being viewed by others
- Never using confidential information for personal gain or to benefit anyone outside of the company
- Remembering that your obligation to protect the company's confidential information continues after leaving the company

SHARING CONFIDENTIAL INFORMATION

Share it Carefully

If anyone asks you to share confidential information, even inside the company, ask yourself these questions. If in doubt, check with your manager, your business leader, the Watsco Legal Department, or the Watsco Corporate Assurance Committee.



EQUAL EMPLOYMENT OPPORTUNITY

We employ, retain, promote, terminate, and otherwise treat all employees and job applicants on the basis of merit, qualifications, and competence. We do not illegally discriminate against anyone with respect to the terms of employment, due to age, color, race, religion, disability, sex, or national origin.

DIVERSITY AND INCLUSION

We foster a diverse and inclusive work environment. We value the benefit of different races, ethnicities, genders, ages, sexual orientations, origins, religions, backgrounds, and perspectives. We are committed to maintaining a workplace where different perspectives are welcome, and everyone feels respected.



WORKPLACE HARASSMENT

We are committed to providing a work environment free from harassment of any kind which includes sexual harassment, bullying, violence, or threats of violence. For this policy, workplace harassment is defined as any unwelcome conduct that interferes with your ability to perform your job. It can be spoken, written, graphic, or physical. It can be done to offend, or merely as joking. Simply stated, harassment, of any kind, has no place in the Company's work environment and will not be tolerated. Each of us has a responsibility to keep the workplace free of harassment. If you are being harassed, tell the harasser to stop; tell the harasser that his or her advances, comments or gestures are unwelcome and offensive. If you have witnessed or been the victim of harassment, you should immediately notify the Company by contacting a Human Resources representative.



QUESTION

"My coworker regularly listens to a radio station that uses offensive language and sexual innuendo on his speaker phone. This makes me very uncomfortable. I have spoken to him, but he has continued to do so. What should I do?"

ANSWER

This could be a form of harassment, which we do not tolerate. You should contact your supervisor or your Human Resources Representative immediately. They will help you resolve the situation.



INSIDER TRADING

The Company, the New York Stock Exchange, and the Securities and Exchange Commission (“SEC”) all have policies forbidding “insider trading.” Insider trading is a serious crime. The offense occurs when a person buys or sells securities of a publicly held company, such as Watsco, while in possession of material non-public information about that company, or when an employee “tips” or discloses to someone else material, non-public information about that company. Insider trading or the disclosure of confidential information which results in an individual trading on insider information can lead to an investigation by the SEC and tarnish the Company’s reputation. It may also subject the individuals involved to significant penalties.



Some examples of insider information include:

- Changes in senior management
- Planning of a significant sale or purchase of assets
- Unannounced stock split or stock repurchase
- Unannounced financial results, projections, or forecasts
- Proposed or pending joint ventures, acquisitions, or divestitures
- New products or innovations while under development or before public release
- Strategic initiatives, including market and customer strategies

If you have a question about whether the information is “insider information,” **do not share it**. Contact the Watsco Legal Department or the Corporate Assurance Committee for guidance.

INTEGRITY OF RECORDS AND ACCOUNTING PRACTICES



All Company business transactions must be properly authorized and be accurately recorded and described in the Company's books and records in accordance with generally accepted accounting principles and established Company financial policy. Compliance with accounting procedures and internal control procedures is required at all times. We never participate in misrepresenting the Company's financial statements, and no circumstances ever exist to justify the maintenance of "off the books" accounts to facilitate questionable or illegal payments or transactions.

We should not make a false or misleading statement to the Company's Audit Committee, its designees, external or internal auditors, or conceal or fail to reveal any information to mislead such persons.

QUESTION:

"A large customer's shipment is ready and scheduled for pick-up, but the logistics company cannot collect it until Monday, which falls in the next quarter. Since we are ready to ship and it is not our fault, the branch manager says to include this shipment in this quarter's revenue figures. I think it would not be appropriate, but he insists. What should I do?"

ANSWER

This entry could create a false accounting record, may misrepresent the company's financial position, and be an act of fraud. The right thing to do is to discuss the reason why this entry may be inappropriate with the branch manager and make sure it is disclosed. If you are uncomfortable with the branch manager's resolution, report the matter to your business unit leader, the Watsco Legal Department, or the Corporate Assurance Committee.



MONEY LAUNDERING

Watsco prohibits and requires employees to actively prevent money laundering, and any activity that facilitates money laundering or the funding of terrorist or criminal activities by complying with all applicable requirements of the Bank Secrecy Act (BSA) and its implementation regulations. Money laundering is generally defined as engaging in acts designed to conceal or disguise the true origins of criminally derived proceeds so that the proceeds appear to have derived from legitimate origins or constitute legitimate assets.

Employees are expected to collect and verify appropriate identifying information about business customers as required by Company policies. Employees are prohibited to knowingly accept funds derived from criminal activities. Employees who reasonably believe that a customer's funds could derive from criminal activities should report their concerns to their manager and the Corporate Assurance Committee.



OCCUPATIONAL SAFETY

We must comply with all safety and health requirements, federal, state, and local, as well as any Company policies with respect to health and safety in the workplace. All employees should immediately report unsafe working conditions or any accidents, no matter how minor the accidents appear, to their supervisor.



FAIR DEALING

Every employee should endeavor to deal fairly with the Company's customers, suppliers, competitors, and employees. No employee should take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts, or any other unfair dealing practice.



EXTERNAL COMMUNICATIONS

All external communications, including media inquiries, but excluding normal course of business activities, that make reference to Watsco or that might be considered “inside information” (e.g., significant information regarding the operations or financial results of the Company) must be reviewed and approved by Watsco’s Executive Vice President prior to publication. Such communications include press releases, videos, and any external communications produced by one Watsco business unit that refers to any other Watsco business units.



QUESTION

“The Company just announced the acquisition of a distributor in my area. Someone from my favorite local newspaper contacted me for more information on how the acquisition will impact my branch. Since the acquisition has been announced, I’m free to share my opinion with the newspaper, correct?”

ANSWER

No. You should refer the newspaper to the Watsco’s main line for any inquiries related to external communications on Company’s operations or results.

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OUR IMPACT

HUMAN RIGHTS

We are 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 us with a shared principle that an individual's basic rights and dignity must be provided and respected.

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.



ENVIRONMENTAL PROTECTION

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 take personal actions to protect the environment. We strive to do business with suppliers and partners who share our vision.



KEY POINTS

You are encouraged to report any environmentally harmful acts that you become aware of with no threat of negative repercussions.

CONTRIBUTIONS TO COMMUNITIES

We support the communities where we and our customers live and work through volunteerism, charitable efforts, and community programs. We ensure that our contributions uphold our ethical standards and are in accordance with the law.

We encourage our employees to support charitable organizations by participating in initiatives that make a positive impact on communities and the world.



QUESTION

"I'm planning to volunteer at a local animal shelter. Is that ok?"

ANSWER

Watsco encourages employees to support their local charitable organizations. Employees must make sure these outside activities do not interfere with their jobs or create conflicts of interest.

POLITICAL CONTRIBUTIONS

We may use funds or assets of the Company, with the approval of the CEO, for federal, state, or local political campaign contributions only if in compliance with statutory guidelines. These guidelines cover not only direct contributions, but also indirect assistance or support of candidates or political parties through the purchase of tickets to special lunches or dinners, or other fund-raising events, or the furnishing of any other goods or services to candidates, political parties, or committees.



KEY POINTS:

If you are asked to contribute to a political cause on behalf of the Company, contact the Watsco Legal Department or the Corporate Assurance Committee for guidance.

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OUR POLICIES

ADDITIONAL COMPANY POLICIES

In addition to this Code, there are other policies which address specific topics in more detail, such as:

- Business Gifts From Providers
- Export and Import Compliance
- Improper Payments
- Sales Representatives
- Antiboycott Policy
- Antitrust Compliance
- Sales to Nuclear Facilities

To obtain copies of these policies, you may contact your Human Resources Department or the Corporate Assurance Committee.



Code of Conduct Conflicts Disclosure Form

Instructions: If you have conduct or a conflict of interest to disclose, please complete all necessary information below. Print, sign, date, and return the statement to your Supervisor and Human Resources Manager. All forms should be filed with Human Resources.

Name:

Job Title:

Company Name:

Location:

Telephone:

Email Address:

Disclosure:

I wish to report an actual/potential conflict of interest or other situation or compliance risk, as follows:

Employee Signature

Date

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OUR COMMITMENT



EMPLOYEE CODE OF BUSINESS ETHICS AND CONDUCT
ACKNOWLEDGEMENT

After you have read and understood the Employee Code of Business Ethics and Conduct, please sign below and return this Acknowledgement to your Human Resources Department.

1. I have read and fully understand the Employee Code of Business Ethics and Conduct.
2. I certify that I will abide by Watsco's standing policy of strict observance of all laws and ethical standards to the best of my ability.
3. I acknowledge my responsibility to make a good faith effort to report observed or suspected violations of the law and Code to management, Human Resources, the Watsco Legal Department, or the Corporate Assurance Committee.
4. I certify that, to the best of my knowledge, I have disclosed actual or potential conflicts of interest on the Company's "Code of Conduct Conflicts Disclosure Form" to my manager and Human Resources.

Employee Name _____ Business Unit _____

Please Print

Employee Signature _____ Date _____