HUMAN RIGHTS POLICY

Watsco is committed to protecting and advancing human rights in accordance with the Universal Declaration of Human Rights. These principles guide how we conduct business and reflect our responsibilities to our employees, customers, communities, and shareholders.

Our Core Principles

- Respect every individual regardless of nationality, race, sex, or other attributes that make each human being unique.
- Protect the rights of women, children and minority groups.
- Comply with all laws, including all employment laws and regulations, across our network.
- Provide safe and healthy working conditions in accordance with local laws and Watsco's Health & Safety Policies.
- Respect for the environment and comply with regulations in all jurisdictions where we operate.
- Promote social awareness and empathy toward those affected by circumstances of birth and upbringing.
- Sustain the cultural belief that our employees are our most important asset and provide a safe workplace through training and awareness programs.
- Conduct business ethically and in a manner that supports and respects human rights.
- Partner with businesses that share these values.

While governments bear primary responsibility for protecting human rights, we recognize the role our business can play. As an industry leader, we encourage and support our suppliers and business partners to uphold internationally recognized human rights standards.

Talent Attraction, Development, and Retention

Our culture celebrates talent sharing, career development, and agility across the Company. We provide a wide variety of opportunities for professional growth and talent development for all employees, including online training, on-the-job experience, mentorships, and education tuition assistance.

We are committed to ensuring equal access to, and participation in, employment and advancement opportunities, regardless of race, color, religion, national origin, age, disability, veteran or military status, pregnancy status, sex, gender identity, sexual orientation, or marital status. We value and foster the diversity and inclusion of the people with whom we work. Diverse teams facilitate contributions from people of different backgrounds, experiences, and varied points of view. We believe that when employees feel valued, understood, and inspired, the entire Company benefits. Moreover, fostering an equal opportunity environment promotes innovative solutions and cultivates high-performing, engaged teams that collaborate to achieve our strategic goals.

Child Labor and Human Trafficking

We prohibit the use of child labor, human trafficking, and the exploitation, 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 legal age of employment where the work is performed. We support legitimate workplace internships and apprenticeship programs that 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. We will not knowingly engage suppliers, 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 respects employees' rights to affiliate with lawful organizations in accordance with applicable law.

Employee Grievances

We support grievance mechanisms, 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 disciplinary action.

Compensation and Benefits

We focus on attracting and retaining employees by providing compensation and benefits programs that are competitive within our industry, taking into account each job position's location and responsibilities. In addition to salaries, commission programs, cash incentives, and stock-based equity plans, we also provide a 401(k) retirement plan with a company match, an employee stock purchase plan in which most of our employees may purchase our stock at a discount, healthcare and insurance benefits, health savings accounts, paid time off, and various services and tools to support our employees' health and wellness.

Working Hours

We comply with all applicable laws and industry standards on working hours.

Workforce Health and Safety

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.

To build and sustain a culture based on these principles, our commitment to safety and wellness is incorporated into the incentive structure of our key operational leaders. For wellness, we measure employee engagement in completing an annual physical to help ensure that our philosophical values are put into action. For safety, we measure and carefully evaluate incidents related to workers compensation, vehicle accidents and injuries to third-parties, and we continuously seek to improve safety measures intended to reduce the number of such incidents. For further information please refer to our Health and Safety Policy.

Watsco's VP of Talent Experience and Development and the VP of Legal Affairs are responsible for the management and implementation of this policy, which is overseen by Watsco's Chief Executive Officer and our Audit Committee.