2022

Corporate Sustainability Report

Schrödinger



Corporate Sustainability at Schrödinger follows a simple formula.

When we add value to the world, we create value for our company, and when we build value for ourselves, we generate value for the world. This approach follows the principles of "Shared Value," a business model that emphasizes commercial success while simultaneously advancing the needs of society.

This virtuous cycle is embodied in our Corporate Sustainability platform, VALUE^2, and memorialized in this inaugural Corporate Sustainability Report. Staying true to Shared Value, we have presented the key topics in this publication through the dual lens of their impact on and beyond Schrödinger.

VALUE^2

our company x the world

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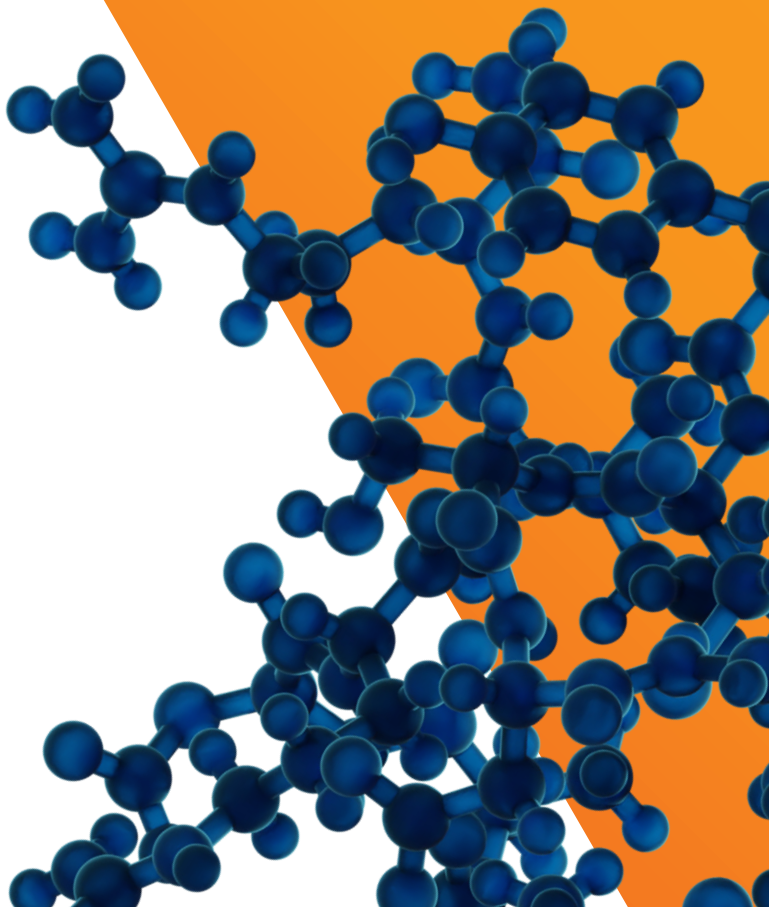
*Schrödinger completed an environmental, social, governance (ESG) materiality assessment in 2022. This report is structured along the 12 topics deemed most material to Schrödinger and its stakeholders through that process. For more information, see Page 15.



Message From Our CEO

Our inaugural Corporate Sustainability Report marks a very important milestone in Schrödinger's growth and evolution. In 2022, we set out to formalize our environmental, social, and governance (ESG) efforts and explore how a strengthened commitment to Corporate Sustainability and its underlying factors can build a solid foundation for long-term success. While we embarked on a range of "firsts" in 2022, including establishing a new position to lead Corporate Sustainability, it became evident through our research that a focus on ESG principles has been core to our mission from our inception.

Our mission is to improve human health and quality of life by transforming the way therapeutics and materials are discovered. Schrödinger's physics-based computational platform is driving transformation in drug discovery and materials development and has the potential to make a significant impact on society and the world at large. For example, we are helping to enhance productivity and lower risk in drug development by driving greater success rates to bring potential novel treatments to patients faster. In materials science, a newer component of our business, we are helping to address climate change by supporting the development of new materials that increase energy efficiency and reduce waste. The people who work at Schrödinger are integral to our success. I believe it is critical that our employees are happy in their roles, excited about doing cutting-edge work, and motivated to make a difference in the world. I am deeply appreciative of Schrödinger's collaborative, inclusive culture, which has enabled us to accomplish much over the past year and in the 30-plus years since our founding.

- Thanks to a commitment to collaboration, learning, development, and diversity, equity and inclusion (DEI), Schrödinger has been recognized as a great place to work by Newsweek, Built In, and Crain's, among others.
- We have established new Employee Resource Groups (ERGs) that provide support and sharing of resources, represent and communicate the interests of key cohorts within the company, and actively work toward change, both inside and outside Schrödinger.
- We introduced an array of new benefit offerings in 2022, including support for mental health and wellness, family care, and reproductive health.
- We built out two new U.S. offices, while adding 27,000 rentable square feet to our headquarters in New York City, completing all three projects in adherence to the highest level of LEED certification available based on the conditions of existing structures.
- We have shifted a significant portion of our computational chemistry to the cloud, which has provided additional computing power while enabling us to operate more efficiently and potentially reduce our carbon footprint.
- We continued our focus on giving back to the academic world through educational outreach and engagement at all levels, from K-12 through college and post-graduate. ▶



Ramy Farid, Ph.D.
President and CEO,
Board Member

Building a strong company creates value for the world. As we continued along our Corporate Sustainability journey in 2022, we looked for areas in which we could make the greatest future impact and add value. We undertook a research exercise known as a "double materiality assessment" to determine the ESG-related topics most important to the success of our company and to our employees and external stakeholders. We actively engaged members of the investor, customer, academic, and advocacy group communities in the process. Ultimately, we examined more than 30 important ESG topics before narrowing the list down to the 12 material ESG topics most critical to our organization and our stakeholders. These topics have been endorsed by our leadership and our Board of Directors.

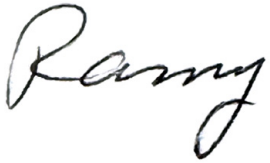
From this work, we articulated a simple maxim: *When we add value to the world, we create value for our company, and when we build value for ourselves, we generate value for the world.* We call this virtuous cycle VALUE^2, a construct that defines our Corporate Sustainability efforts referenced throughout this report.

We also established a Corporate Sustainability Steering Committee in 2022. Our Chief Legal Officer serves as the Executive Sponsor for this Committee, alongside representatives serving as Committee members from more than a dozen company functions and the three major geographic regions where we have a presence. This Committee meets regularly to support and strengthen Schrödinger's ongoing commitment to Corporate Sustainability and advance ESG programs, policies, and performance.

Through the lens of our prioritized ESG material topics, we are exploring gaps, identifying opportunities, and defining near-term and long-term aspirations. As we advance this work, we will identify key performance indicators and goals that create value for our company and the world, and we will report on our progress in future Corporate Sustainability Reports.

I am more optimistic than ever about what lies ahead for Schrödinger. I invite you to read through our report, learn more about our ESG commitments, and join us on our mission to transform how therapeutics and materials are discovered. Working together, we can improve human health and quality of life worldwide.

Sincerely,



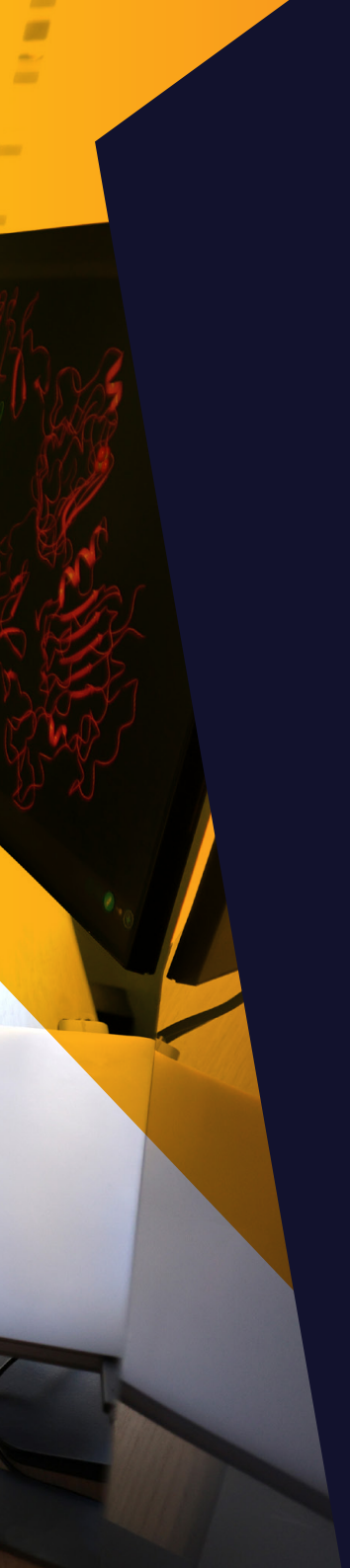
Ramy Farid, Ph.D., President and CEO

About Schrödinger

Our Mission: To improve human health and quality of life by transforming the way therapeutics and materials are discovered.

Working with biopharmaceutical and industrial companies, academic institutions, government laboratories, and global health initiatives around the world, Schrödinger facilitates the discovery of high-quality, novel molecules for drug development and materials applications. Our pioneering physics-based computational platform enables discovery more rapidly and at a lower cost, compared to traditional methods. We have a multidisciplinary team that applies our platform to discover and advance our own pipeline of novel therapeutics and contributes to collaborative programs, both for commercial applications and with leading biopharmaceutical companies, to help solve some of the world's most intractable health challenges.





Schrödinger At A Glance

30+
years of innovation in computational chemistry research

~800
full- and part-time employees globally

>40%
with Ph.D. degrees

>50%
focused on research and development

$181M
2022 revenues in USD

SDGR
Nasdaq stock exchange ticker symbol

~1,750
customers worldwide*

33
active collaborative and proprietary drug discovery programs

*Active Customers (number of customers who had an Annual Contract Value (ACV) >$1,000) as of Dec. 31, 2022.
(For more financial information, please see our Schrödinger 2022 Annual Report on Form 10-K)

Our Organization

Global Headquarters
New York, New York

North America
Cambridge, Massachusetts
Natick, Massachusetts
Portland, Oregon
San Diego, California

Europe
Mannheim, Germany
München, Germany
Reading, United Kingdom

Asia
Hyderabad, India
Bangalore, India
Tokyo, Japan
Seoul, Korea



Earning External Recognition

Newsweek
America's 100 Most Loved Workplaces 2022: No. 1 in Pharmaceuticals and Biotech; No. 21 overall

Inc. Magazine
Best-Led Companies List 2021

Portland Business Journal
Largest Bioscience and Health Technology Companies in Oregon & S.W. Washington 2021

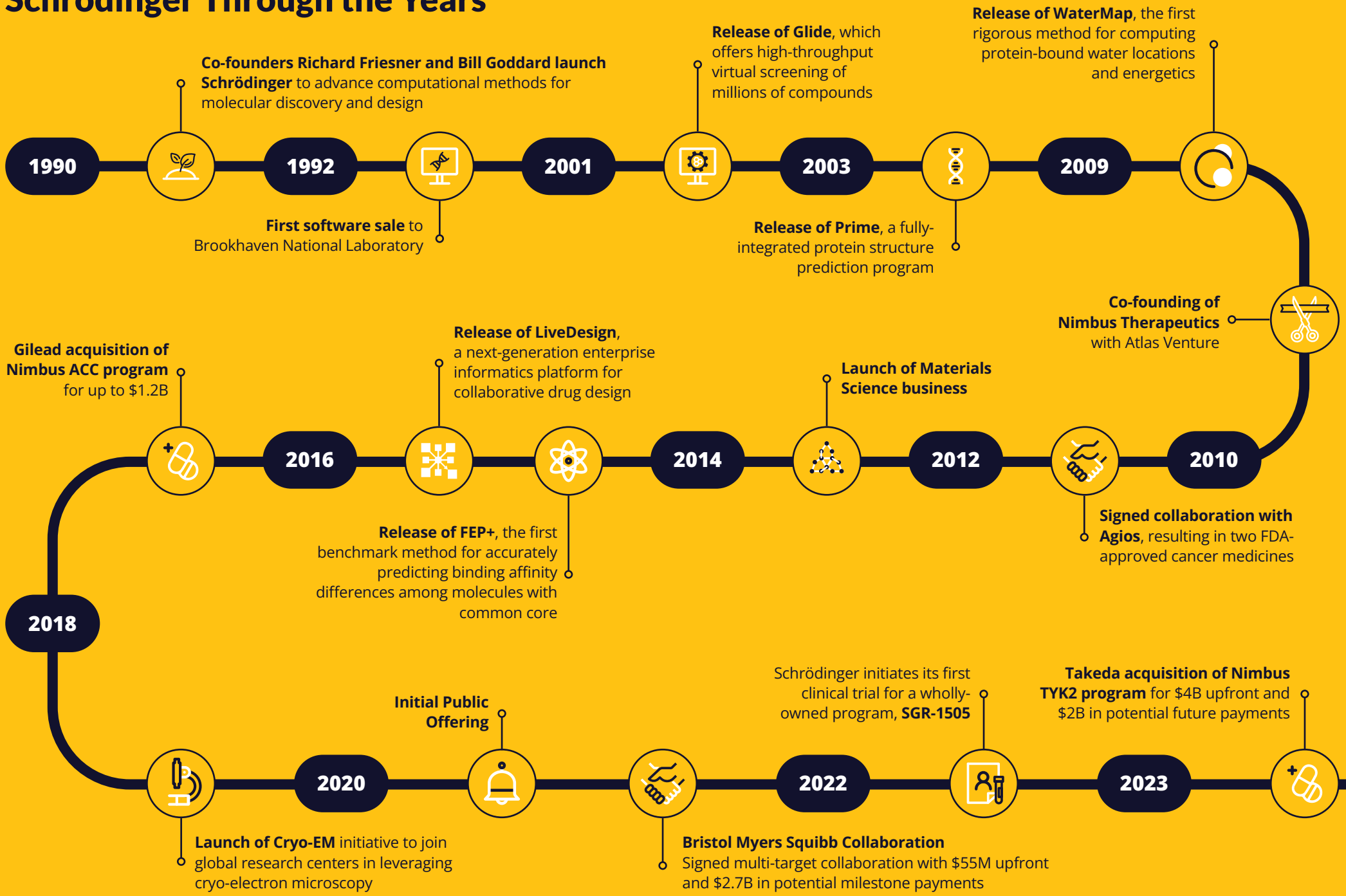
Portland Business Journal
Largest Software Development Firms 2021

Fierce Innovation
Awards 2021

Rock Health
Top 50 in Digital Health Awards 2020

Financial Times
Fastest-Growing Companies 2022

Schrödinger Through the Years



Our Strategic Business Priorities

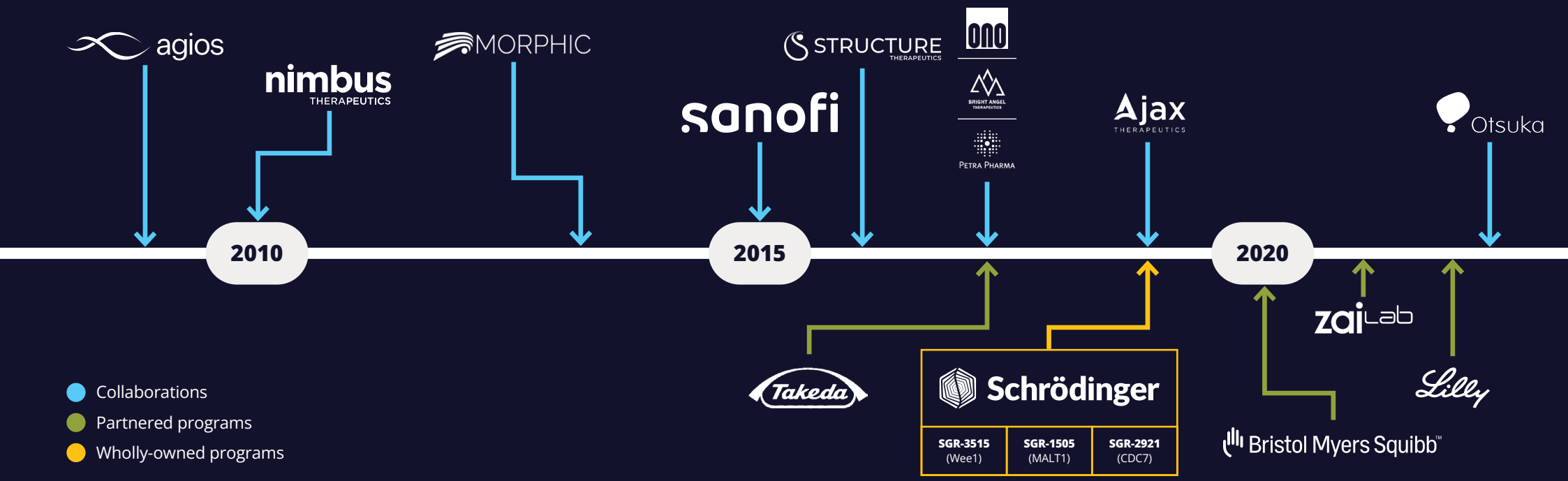
Traditional drug discovery and development efforts have become increasingly complex, lengthy, and capital-intensive, and are prone to high failure rates. Traditional drug discovery relies upon many iterations of costly and time-consuming manual molecule design, chemical synthesis, and experimental testing. One of the primary reasons for long timelines, high costs, and high failure rates in drug discovery is that predicting properties of molecules in advance of chemical synthesis is extremely complex and not amenable to traditional approaches.

Over the past several decades, and with the concerted efforts of hundreds of our scientists and software engineers, we have developed a physics-based computational platform that is capable of predicting critical properties of molecules with a high degree of accuracy. This key capability enables drug discovery teams to design and selectively synthesize molecules with more optimal properties, reducing the average time and costs required to identify a development candidate, and increasing the probability that a drug discovery program will enter clinical development. Furthermore, we believe that development candidates with more optimized property profiles will have a higher probability of success in clinical development.

Our Platform Empowers Chemists

(see Page 44)

Collaborations, Wholly-Owned Programs, and Partnerships



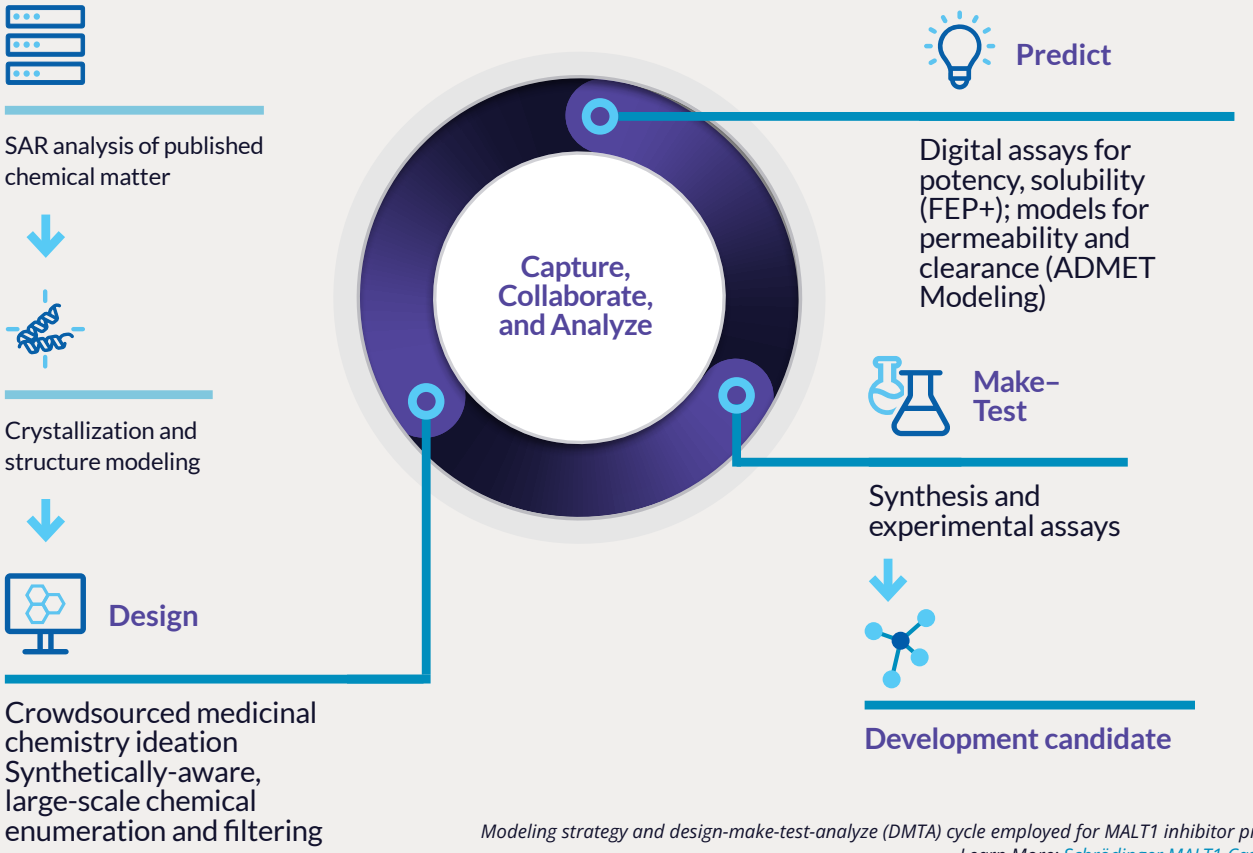
Life Science in Action

Spotlight on discovery of SGR-1505, a novel MALT1 inhibitor

Finding a novel molecule with the right balance of potency, specificity, and other desired physicochemical properties is the essential challenge of every drug discovery program. In principle, increasing the number of rationally designed compounds assessed for these various properties increases the odds of success.

Designing molecules *in silico* — with the speed and accuracy to explore billions of molecules — is the guiding ethos of Schrödinger's digital chemistry strategy. Schrödinger evaluated over 8 billion compounds, scored approximately 12,000 compounds using advanced multi-parameter optimization methods, and synthesized just 78 molecules to identify molecules suitable for development candidate nomination within 10 months of program initiation.

8.2 billion	78	10 months
compounds computationally evaluated	total compounds synthesized in lead series	to discovery of development candidate



Modeling strategy and design-make-test-analyze (DMTA) cycle employed for MALT1 inhibitor program.
Learn More: Schrödinger MALT1 Case Study

Materials Science in Action

The physics underlying the optimization of the properties of drug molecules and the design of novel industrial materials is the same, enabling us to extend our computational platform to materials science applications in fields like aerospace, energy, semiconductors, and electronic displays. Our platform integrates predictive physics-based simulation with machine learning techniques to transform the way new materials are discovered.

The improvements made in developing materials utilized in the products many people use or experience every day drive greater durability and safety, and lessen environmental impacts. **Some areas we are working on with customers include:**

Energy storage through increased capacity and fire safety of lithium-ion batteries

Polymer composites to decrease fuel consumption and lower greenhouse gas emissions from next-generation aircraft

Optoelectronic materials to reduce power consumption and dependence on heavy metals for television and phone displays

Packaged goods to achieve more sustainable personal care products by using eco-friendly ingredients and packaging to reduce waste and extend shelf life

ESG Governance

Schrödinger Definition: We maintain strong ESG standards and practices that bring value to our company, our stakeholders, and our planet. We continually evaluate the ESG-related structures, processes, policies, and programs we have in place and identify opportunities to improve our performance.



value to our company

- Manages ESG risks and leverages opportunities
- Creates value for Schrödinger and our stakeholders
- Guides employee expectations and provides a strong framework to operationalize company mission and values
- Supports reputation and helps attract and retain the best and brightest talent

Committing to Sound ESG Governance



value for the world

- Addresses societal challenges and helps protect the environment
- Demonstrates business leaders' support and prioritization of ESG performance
- Conveys sound management of operational and reputational risks to key stakeholders

Corporate Sustainability at Schrödinger

At Schrödinger, we use the term Corporate Sustainability to describe how we embed wide-ranging environmental, social, governance (ESG) principles into the way that we operate, serve, and engage.

While still early in our Corporate Sustainability journey, we made significant progress in ESG oversight during 2022, both at the highest levels of the company and with leaders, decision-makers, and influencers throughout our enterprise, as well as with input from external stakeholders.

Board of Directors

Schrödinger's Board of Directors is fully engaged in the company's Corporate Sustainability matters. In 2022, the Nominating and Corporate Governance Committee formalized its role in ESG oversight by integrating the following language into its charter:

"The Nominating and Corporate Governance Committee shall periodically review, report, and make recommendations to the Board concerning the company's environmental, social, governance policies and practices, including with respect to Corporate Sustainability efforts and diversity, equity, and inclusion issues."

The Nominating and Corporate Governance Committee charter also includes a remit to seek out Board nominees who represent a diverse array of personal and professional characteristics, backgrounds, experiences, and skills including gender, racial, or ethnic identity, international experience, and more.

Among the responsibilities set forth in Schrödinger's Corporate Governance Guidelines for all Board members is reviewing the company's environmental, social, and governance policies and practices.

The Nominating and Corporate Governance Committee and the Board are kept apprised of the company's ESG plans and performance through regular updates from Schrödinger's Head of Corporate Sustainability, who is also the chair of the company's Corporate Sustainability Steering Committee (see Page 14).

In 2022, the Nominating and Corporate Governance Committee met two times, and the Board met five times. During that time, ESG-related topics discussed included:

- Director independence
- Board diversity
- Ongoing development and implementation of our ESG strategy
- Prioritizing our DEI efforts through training in diversity hiring and continued support of Employee Resource Groups (ERGs)
- Shareholder engagement
- Governance best practices
- Compliance with upcoming governance rules and regulations

In 2022, the Board approved an amended and restated global Code of Business Conduct and Ethics (Code) (see Page 41) and formally delegated authority to the Nominating and Corporate Governance Committee to oversee the company's ESG efforts. The Board also approved the appointment of a new director, underscoring its commitment to enhancing its skills-based and demographic diversity.

In May 2022, Schrödinger appointed Arun Oberoi to its Board of Directors.

Arun Oberoi brings decades of software and technology experience to the Schrödinger Board and enhances the demographic diversity of its directors in alignment with Nasdaq's board diversity listing rules.

For more information on Corporate Governance at Schrödinger, please access the following resources:

Corporate Governance Documents and Board Committee Charters
- Corporate Governance Guidelines
- Code of Business Conduct and Ethics
- Audit Committee Charter
- Compensation Committee Charter
- Nominating and Corporate Governance Committee Charter
- Drug Discovery Committee Charter

Bylaws
Schrödinger 2023 Proxy Statement
Schrödinger 2022 Annual Report on Form 10-K

Board Members

Michael Lynton
Chairman of the Board

Ramy Farid, Ph.D.
President and CEO, Board Member

Gary Ginsberg
Board Member

Jeffrey A. Chodakewitz, M.D.
Board Member

Richard A. Friesner, Ph.D.
Co-founder, Board Member, and Scientific Advisory Chairman

Arun Oberoi
Board Member

Rosana Kapeller-Libermann, M.D., Ph.D.
Board Member

Gary Sender
Board Member

Nancy A. Thornberry
Board Member

Corporate Sustainability Steering Committee

The Schrödinger Corporate Sustainability Steering Committee (CS-SC) is sponsored by our Chief Legal Officer and chaired by our Head of Corporate Sustainability. More than a dozen company functions and the three major regions where we have a presence are represented on the CS-SC. Formed in the third quarter of 2022, the CS-SC's mandate is to support and strengthen Schrödinger's ongoing commitment to Corporate Sustainability and serve as a cross-functional, enterprise-wide task force charged with advancing and expediting our ESG programs, policies, and performance.

The CS-SC held its inaugural meeting in the fourth quarter of 2022 to review its charter, learn more about the state and progress of Corporate Sustainability at Schrödinger, provide feedback on the VALUE[2] approach, and share insights about how each member's functional role within Schrödinger connects to the ESG considerations of our business.



Corporate Sustainability Steering Committee: Primary Responsibilities

Develop and activate Schrödinger's Corporate Sustainability programming and commitments.

Help establish ESG-related objectives, targets, and ESG key performance indicators (KPIs) and track their performance.

Monitor the impact of Schrödinger's businesses, operations, and programs through a Corporate Sustainability lens, taking into account the interests of all key stakeholders.

Increase visibility and understanding of Schrödinger's Corporate Sustainability strategy, activities, and leadership with key internal and external stakeholders.

Partner in the development of internal and external communications related to Corporate Sustainability.

Provide guidance on ESG-related policy and standards development.

Review and assess internal KPIs.

ESG Materiality Assessment

In 2022, Schrödinger undertook a research exercise known as a "double materiality assessment," where we worked to determine the ESG-related topics most important to both our company and our stakeholders. To compile the list of topics for consideration, we interviewed nearly a dozen company leaders, looked to the work of companies in adjacent industries, and consulted key ESG standards and frameworks like the Global Reporting Initiative (GRI), Sustainability Accounting Standards Board (SASB), and United Nations Sustainable Development Goals (SDGs).

More than 30 topics were examined and ultimately narrowed to 12, which were subsequently rated and ranked in importance by both internal and external stakeholders. External stakeholders represented investors, customers, academics, and advocacy groups. The ranked and rated topics then underwent a series of validation exercises, including a workshop with our president and CEO, other company leaders, and subject matter experts, and were ultimately endorsed by our president and CEO and Board of Directors.

Against the final list of prioritized ESG material topics, we began exploring gaps, identifying opportunities, and laying out aspirations for both the near and long term. As we advance this work, we will report on our progress in future Corporate Sustainability Reports. Schrödinger recognizes the need to periodically update our ESG Materiality Assessment, especially as we expand our internal drug discovery efforts.

Schrödinger ESG Material Topics and Their Boundaries

Topic (alphabetic order)	Boundary	Key Stakeholders
Academic and Community Outreach	Primarily External	Academics, communities, students
Company Culture/ Employee Engagement	Primarily Internal	Employees, prospective employees
Cybersecurity/Data Privacy	Internal and External	Collaborators, customers, employees
Diversity, Equity, and Inclusion (DEI)	Internal and External	Communities, employees, suppliers
Drug Discovery/Life Science Collaborations	Internal and External	Collaborators, customers, medically underserved populations
Employee Well-being	Internal	Employees and their families
Environmentally Beneficial Solutions	Primarily External	Customers, environment
ESG Governance	Internal and External	Entire value chain
Ethics, Transparency, and Compliance	Internal and External	Entire value chain
Intellectual Property	Internal and External	Collaborators, customers, medically underserved populations
Operational Environmental Footprint	Internal and External	Entire value chain
Responsible Use of Technology	Primarily External	Employees, industry, society-at-large

For more on our approach to Corporate Sustainability reporting, please see the Reporting Appendix section of this document.



Drug Discovery and Life Science Collaborations

Schrödinger Definition: Our physics-based computational platform powers our own drug discovery efforts, drives our research collaborations to develop novel medicines for critical health needs, and helps our customers accelerate their own drug discovery processes.

value to our company

- Advances Schrödinger's computational platform through varied and new applications
- Enables deep collaboration between Schrödinger software/ application scientists and in-house therapeutics teams
- Empowers employees to live their values and the Schrödinger mission
- Broadens exposure to the benefits of Schrödinger's platform

Participating in Global Health Collaborations



value for the world

- Contributes to solutions for some of the world's most intractable health concerns
- Exposes scientists, health professionals, nonprofits, and others to new ways of solving major challenges
- Provides hope to individuals who may otherwise suffer health, economic, and social hardships
- May ultimately lessen the impact of disease and health conditions on economic and social systems

Applying Our Platform to Improve Human Health

At Schrödinger, it has been a long-time priority to continuously explore new applications for our platform in an effort to make a positive impact on people's lives around the world. We are applying our computational platform to discover and advance a broad pipeline of development programs in collaboration with leading biopharmaceutical companies. We are also using our platform to advance a pipeline of partnered and wholly-owned drug discovery programs spanning a wide range of targets and indications. We began more than 30 years ago by licensing our software to major pharmaceutical and biotechnology companies around the world to improve their drug discovery efforts. Approximately 15 years ago, we began collaborating with companies to deploy our technology and advance their high-priority drug discovery programs. And, more recently, we have begun using our platform in-house to produce a portfolio of novel, high-value therapeutics. You can read more about these efforts in the About Schrödinger section of our report and in our Schrödinger 2022 Annual Report on Form 10-K.

Global Health

In this section, we focus on our contributions to global health initiatives that advance scientific progress in combating a variety of rare, neglected, and infectious diseases, and other health issues that have enormous societal impact. Our technology allows us to bring together industry, government, and nonprofits to address these challenges around the world.

Non-Hormonal Contraceptives

Today's contraceptive methods do not always meet the needs or cultural considerations of all women and girls.[1] Globally, 40% of pregnancies are unintended, and more than 200 million women and girls in low- and middle-income countries have an unmet need for contraception. About 40% of women and girls who use a contraceptive method stop within the first year, and many say it is because they are dissatisfied with the method. Nearly all of the contraceptive options on the market today act on hormone levels, and this can cause significant side effects.

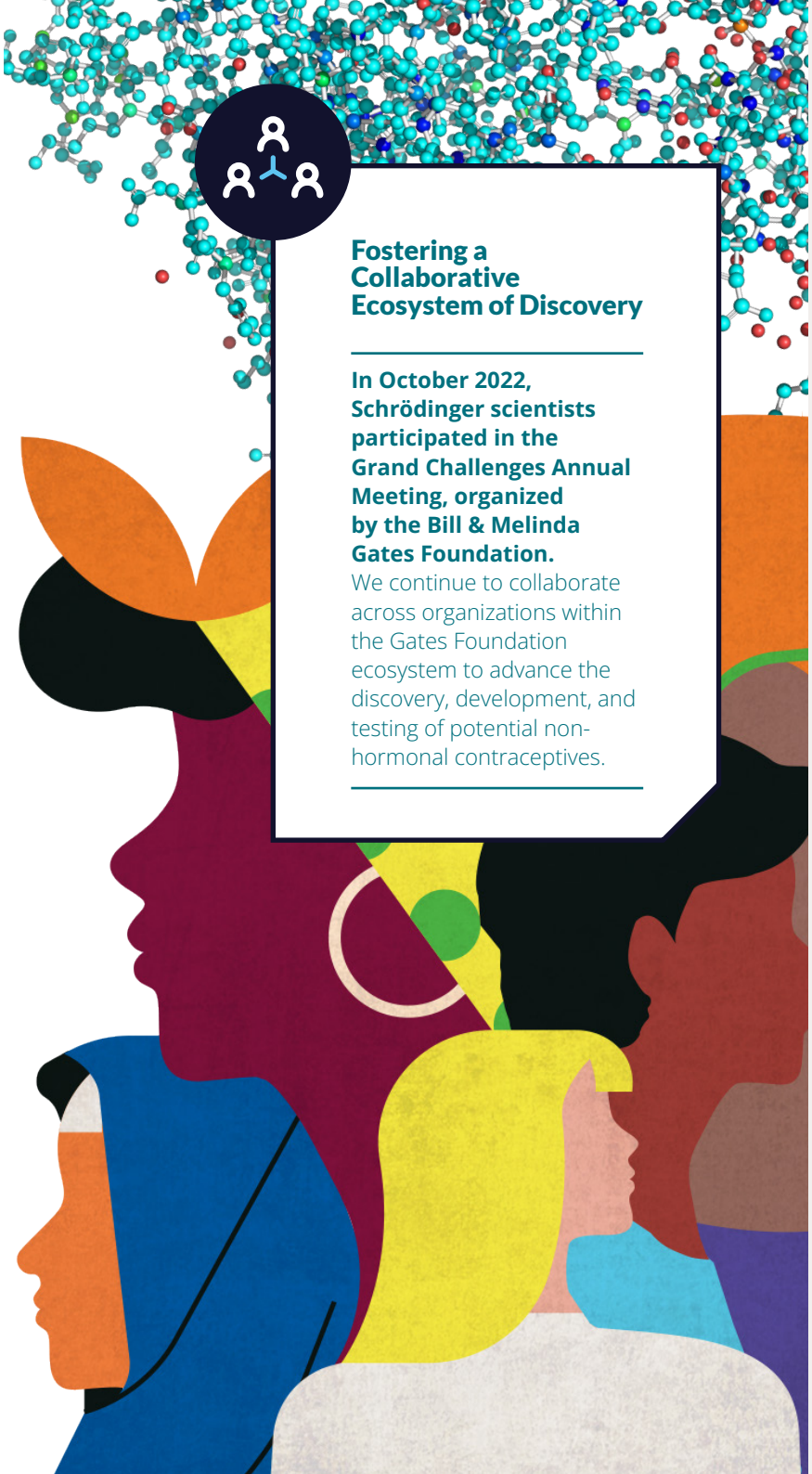
In October 2021, the Gates Foundation awarded a two-year, $4.9 million research grant to Schrödinger to support early-stage drug discovery of non-hormonal contraceptives. Schrödinger will continue to work on the development of a small molecule non-hormonal contraceptive throughout the grant period, while working with the Gates Foundation and other collaborators to make plans for the continued development and testing of any potential non-hormonal contraceptive. We are pleased to have this foundational opportunity to contribute to this crucial health initiative.

Tuberculosis

Schrödinger collaborates with the TB Alliance, a nonprofit organization dedicated to the discovery, development, and delivery of better, faster-acting, and affordable tuberculosis (TB) drugs that are available to those who need them. In developed nations, TB is not considered a meaningful threat, but that is not the case for many developing countries. According to the World Health Organization, TB is the 13th leading cause of death and the second leading infectious disease killer after COVID-19 in the world.

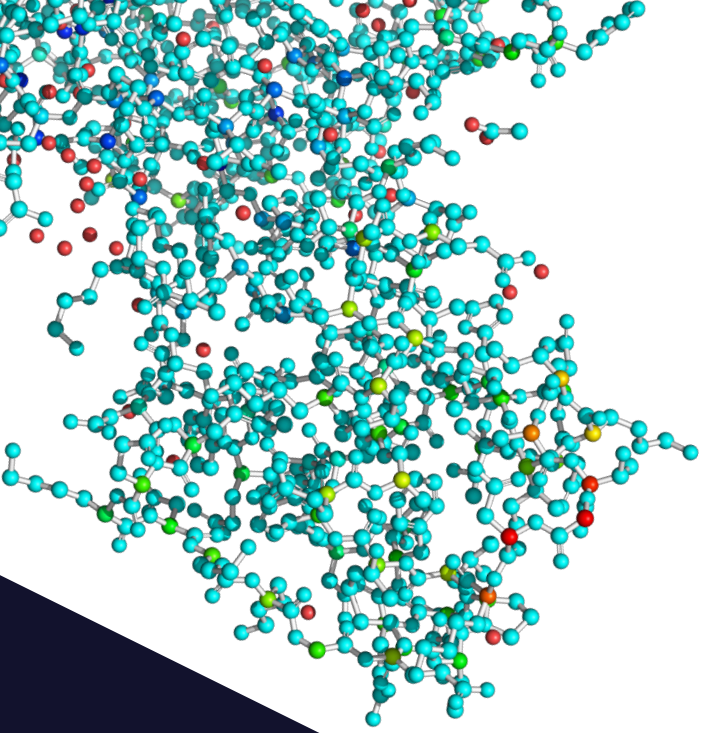
The TB Alliance asserts that there is a need for new TB drugs, because today's TB treatments take too long to cure, are too complicated to administer, and can be toxic. Many people have negative interactions between commonly used antiretrovirals and TB treatment, and some develop drug-resistant TB. Schrödinger is leveraging its platform to advance two small molecule projects that hold promise for addressing this devastating disease.

[1] Some people who do not identify as a woman or girl may also benefit from this work.



Fostering a Collaborative Ecosystem of Discovery

In October 2022, Schrödinger scientists participated in the Grand Challenges Annual Meeting, organized by the Bill & Melinda Gates Foundation. We continue to collaborate across organizations within the Gates Foundation ecosystem to advance the discovery, development, and testing of potential non-hormonal contraceptives.



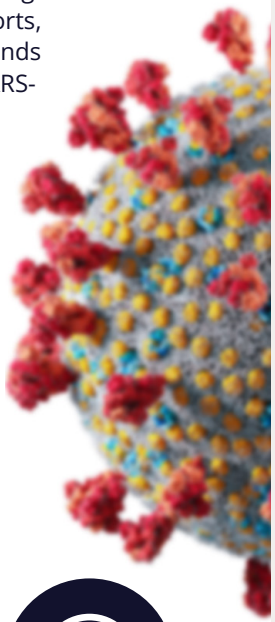
Malaria

Schrödinger contributes to the Medicines for Malaria Venture, a product development partnership for antimalarial drug research. Malaria is a life-threatening disease that is transmitted by infected mosquitoes and is most prevalent in developing countries. The goal of this work is to discover and develop orally-available small molecule drugs for the treatment of this disease.

Application of the full Schrödinger computational platform has resulted in the discovery of highly potent and selective small molecule inhibitors that also have excellent drug-like properties. This project is in the final lead optimization stage to nominate a development candidate in 2023.

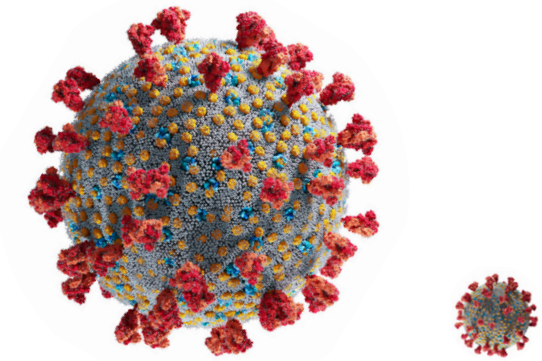
COVID-19 Alliance

In 2020, in the midst of the COVID-19 pandemic, Schrödinger started working with biopharma partners Gilead Sciences, Novartis, Takeda, and WuXi AppTec to rapidly discover and develop antiviral therapeutics. Schrödinger led the effort's computational workstreams, evaluating billions of compounds through machine learning virtual screening technology, and thousands by our FEP+ platform. To rapidly generate ideas together across teams and geographies, we leveraged our shared collaborative ideation and design platform, LiveDesign. Through these efforts, the Alliance was able to identify compounds with promising in vivo activity against SARS-Cov-2, the virus that leads to COVID-19.



LiveDesign: Enabling Global Collaboration

To advance successful collaboration across global health initiatives, Schrödinger makes its LiveDesign platform available to selected philanthropic collaborations. LiveDesign is an enterprise informatics platform that enables teams to rapidly advance drug discovery projects by collaborating, designing, experimenting, analyzing, tracking, and reporting data in a centralized environment.



10K Hours

Donated by Schrödinger scientists from around the world, lending their drug discovery expertise to the COVID-19 Alliance.

Company Culture and Employee Engagement



Schrödinger Definition: Our colleagues share a sense of purpose to make the world a better place. We foster an environment where bright, capable people are engaged, challenged, and encouraged to take risks and explore an array of development opportunities.

value to our company

- Helps attract a highly skilled workforce in a competitive talent marketplace
- Contributes to high retention and low employee turnover
- Equips employees with the skills and expertise for a career at Schrödinger
- Encourages every employee to make positive contributions and take risks
- Empowers employees to develop and expand their skill sets

Prioritizing Company Culture and Employee Engagement



VALUE²

value for the world

- Creates a foundation for employees to help solve some of the world's biggest challenges
- Exposes a wide range of people to the power of computational chemistry
- Fosters job satisfaction, which may positively influence how employees engage at home and in their communities
- Equips people with skills that can translate to endeavors beyond Schrödinger

Cultivating an Exceptional Team

Every employee, regardless of title or tenure, is expected and encouraged to contribute positively to our mission and shared principles. Whether someone is a new hire or has just celebrated 20 years at Schrödinger, whether they are a scientist, accountant, developer, or administrator, and wherever they sit in the world, our principles apply to all of us. Schrödinger's recognition as a great place to work is a result of that understanding. Many of our top scientists and software developers have numerous career options, but they choose the supportive, collaborative, innovative, and purpose-driven environment at Schrödinger. Schrödinger makes a concerted effort to identify, attract, and retain the most talented people who are truly driven to make a difference in the world. We support each individual fully, beyond just their contribution as an employee, while offering the professional and technical learning and development they need.

Building Our Talent(ed) Pipeline

Schrödinger has grown substantially in recent years. Since becoming a publicly traded company in February 2020, we have grown from 402 employees to 778 full-time employees as of Feb. 6, 2023. More than 43% of our employees hold a Ph.D., and a majority of the company's workforce is directly involved in research and development (R&D). This degree of expansion, involving highly skilled people, requires a strategic approach to finding the right talent. For more detailed information on employee demographics at Schrödinger, please see Page 27.

Developing our platform requires a deep understanding of physics, chemistry, and computational modeling. We carefully tailor our diverse recruitment efforts to ensure that we are reaching applicants who possess this specialized expertise and have an interest in a career at Schrödinger.

One of our strongest recruitment strategies is tapping into our existing employees' networks to identify additional talent in the industry. We also have, and continue to build, relationships with professors at computational chemistry labs across the country to identify prospective talent at the undergraduate, graduate, and postgraduate levels.

To further expand our pool of potential talent, we maintain a strong presence at industry conferences, boosting our name recognition within the industry, and developing relationships with prospective hires. We also post open positions on industry-specific online job boards to ensure we're reaching relevant talent regardless of geographic constraints.

Schrödinger's Strategic Growth team approaches recruitment with a DEI lens and leverages key relationships and best practices to attract the best team members to our organization.

Earning Recognition for Being a Great Place to Work

built in
THE BEST PLACES TO WORK

Built In's 100 Best Places to Work (2023)

- **U.S.** (No. 3 Midsize / No. 5 Overall)
- **New York** (No. 2 Midsize / No. 3 Overall)
- **Boston** (No. 2 Midsize / No. 3 Overall)
- **San Diego** (No. 1 Midsize / No. 2 Overall)

Built In's 100 Best Places to Work (2022)

- **New York** (No. 1 Large / No. 2 Overall)

Built In's 100 Best Places to Work (2021)

- **New York** (No. 6 Midsize / No. 10 Overall)

HEALTHIEST EMPLOYERS®

Healthiest Employers of New York City 2021 Finalist

CRAIN'S NEW YORK BUSINESS

Crain's Best Places to Work in NYC 2021 (No. 14 Overall)

OUR CORE PRINCIPLES

WE ARE DRIVEN
to be the world leader in transforming drug discovery and materials design by relentlessly pursuing scientific and technology breakthroughs.

WE ARE COMMITTED
to achieving the best possible outcomes for our customers, partners, patients, and other stakeholders.

WE DEEPLY VALUE
our dedicated employees, and invest in their growth, development, and well-being.

WE HELP AND SUPPORT
each other, generously and with compassion.

WE PURSUE
a diverse, equitable, and inclusive workplace where teamwork and collaboration are valued, and open, respectful debate is welcome and encouraged.

WE STRIVE
to do the right thing, applying the highest ethical standards to our work and always considering how our actions impact individuals and communities who depend on us.

Conferences and Networking. We continue our recruiting efforts to diversify our candidate pipeline at innovative conferences such as AfroTech, Society for the Advancement of Chicanos/Hispanics and Native Americans in Science (SACNAS) National Diversity in STEM Conference, National Society of Black Engineers (NSBE), and the Grace Hopper Celebration of Women in Computing. Additionally, we expand our reach via robust student networks such as the National Organization for the Professional Advancement of Black Chemists and Chemical Engineers (NOBCChE).

At the interview stage, our Strategic Growth team utilizes a standardized interviewing model to reduce unconscious bias and to create a consistent hiring process across our open positions. Our hiring teams discuss job requirements in-depth, review questions in advance, and assign competencies for each interviewer to evaluate. With this comprehensive approach, we aim to construct a fair, universal standard by which all candidates may be evaluated.

We train our hiring managers to educate leaders on ways to avoid the most common recruitment pitfalls, help hiring teams proactively challenge biased or discriminatory thinking, and ensure an equitable hiring process.

Our methods have proven successful. In 2022 alone, more than 100 scientists, developers, and R&D personnel joined the company.

"Working at Schrödinger means you're surrounded by exceptionally bright, capable, and curious colleagues. We have a lot of intense scientific discussions. But we have a lot of fun, too. It's a really healthy balance."

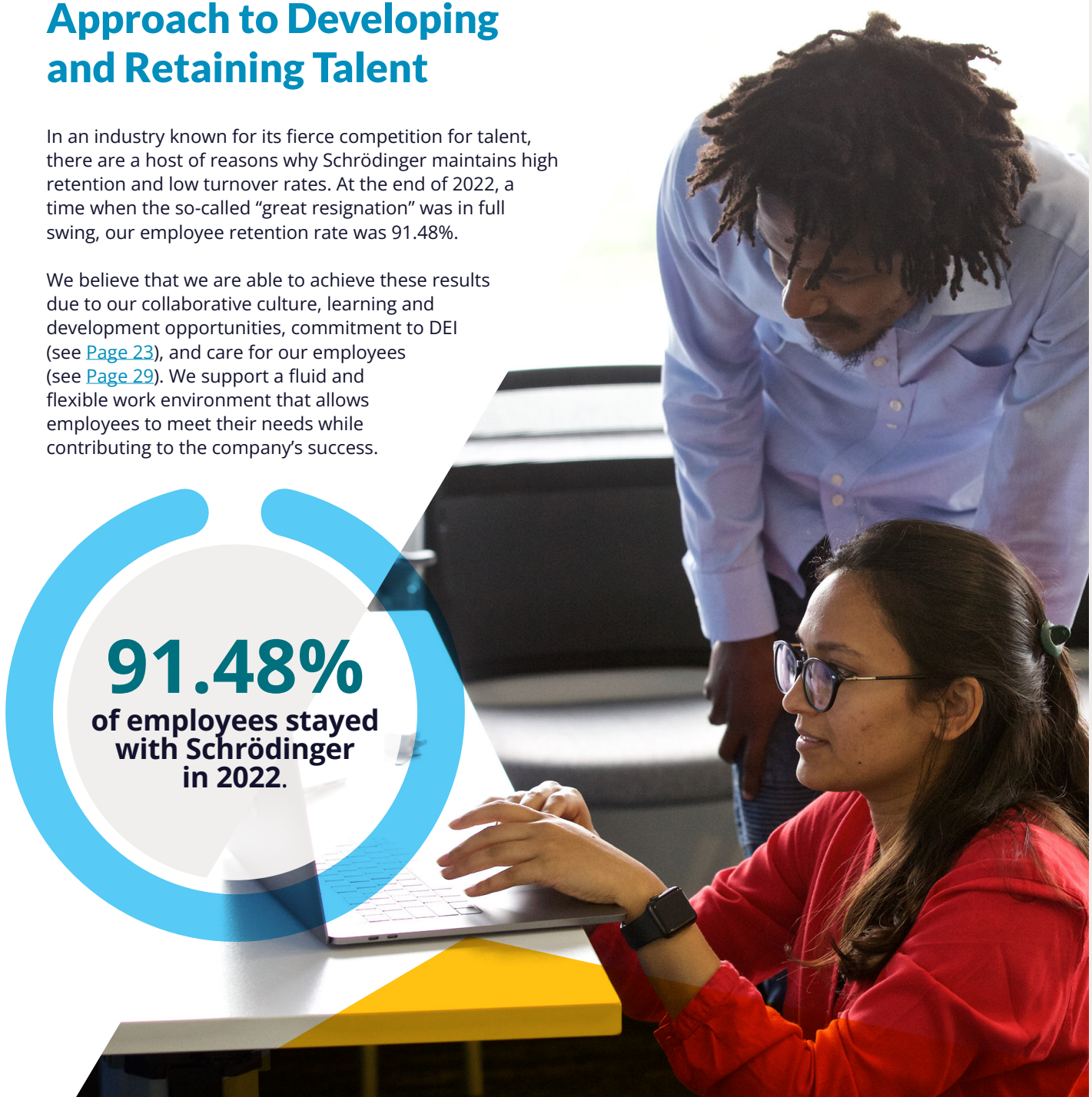
— Robert Abel, Ph.D., Executive Vice President, Chief Computational Scientist

For detailed quantitative information on 2022 hires and voluntary and involuntary turnover, please see Workforce Metrics (pages 27 and 28)

Deploying a Multifaceted Approach to Developing and Retaining Talent

In an industry known for its fierce competition for talent, there are a host of reasons why Schrödinger maintains high retention and low turnover rates. At the end of 2022, a time when the so-called "great resignation" was in full swing, our employee retention rate was 91.48%.

We believe that we are able to achieve these results due to our collaborative culture, learning and development opportunities, commitment to DEI (see Page 23), and care for our employees (see Page 29). We support a fluid and flexible work environment that allows employees to meet their needs while contributing to the company's success.



Ongoing Learning and Development

To support employee learning, growth, and mobility throughout the company, we offer a wide range of opportunities for employees at all levels of seniority.

For those looking to broaden their scientific or engineering skills, we offer cross-departmental rotations into our development and life science teams. Each rotation typically lasts three months and allows employees to learn new skills or build upon existing capabilities while completing important scientific and technical deliverables that support Schrödinger's goals. Employees have frequent opportunities to rotate on and off dynamic cross-functional project teams outside of specific science and software assignments for additional exposure to new departments and capabilities.

Internal-led development programs are also available to support the needs of each department. Examples include the Development Skills class and the Schrödinger Therapeutics Group Leadership and Communication workshops. Employees are also encouraged to attend conferences and publish work in scholarly journals, provided such publications do not disclose confidential information, or information pertaining to inventions that may be the subject of future patent applications.

Schrödinger Online Courses. All employees have full access to Schrödinger Online Courses for free as a way to quickly onboard to a role, learn about our technology, and assist with ongoing professional development.

Mentorship. Schrödinger offers mentorship programming that goes beyond direct job skills. We deliberately pair employees from different departments within the company with the goal of holistic personal and professional development. We also encourage reverse mentoring, based on the belief that senior level colleagues can benefit significantly from the knowledge and skills of their more junior counterparts.

Online Learning. Employees have access to courses through Udemy, an online learning platform with more than 5,500 courses, including hard and soft skills on topics such as leadership and management, software development, programming, and more.

Staying in Touch

Schrödinger has a variety of communication channels that allow employees to stay informed and connected. We have biweekly and quarterly all-hands meetings, management meetings, and multiple chat groups for employees to receive updates and ask questions.

Our Human Resources function also conducts an annual global engagement survey. We share our results with the entire company, then work with regional and team managers to ensure that we are celebrating and reinforcing our strengths, and making improvements where needed.

In the last survey conducted in May 2022, employees rated the following areas as having a high impact on engagement:

- Career opportunities
- Confidence in leaders
- Great company to make a contribution to development
- Day-to-day decisions demonstrate that quality and improvement are top priorities
- Company allows us to make a positive difference

61%
of employees submitted nominations for peer feedback

87%
received a year-end performance review

Reviewing Performance

As part of our emphasis on employee engagement and fostering a high-performing culture, in 2022 we refreshed our annual review process to encourage more regular connections and real-time feedback between employees and their managers to help achieve performance goals. We introduced the option for employees to solicit peer feedback and upward feedback. In 2022, 61% of employees submitted nominations for peer feedback, and 87% received a year-end performance review.

Diversity, Equity, and Inclusion (DEI)



Schrödinger Definition: True innovation requires diversity of backgrounds, inclusion of varied perspectives, and equity among voices. Schrödinger is committed to advancing DEI within our company and in societal institutions. This approach is both beneficial for our company and is the right thing to do.

value to our company

- Ensures that all employees feel safe, comfortable, and valued in the workplace
- Supports talent acquisition and retention efforts
- Facilitates more creativity, unique approaches, and improved problem-solving
- Allows employees' voices to be heard

Advancing DEI Commitments



value for the world

- Creates career opportunities for historically underrepresented groups
- Builds a community of strong advocates working toward a more inclusive society
- Helps ensure diverse representation in clinical trials

Opening New Worlds of Possibility Through DEI

Pushing the boundaries of what is possible in science requires a remarkably dedicated, creative, and collaborative team. Assembling that kind of team requires an intentional focus on recruiting people from a diversity of backgrounds and experiences. That is why advancing DEI within Schrödinger, our talent pipeline, and in clinical trials is a business imperative. And, it is why our DEI team meets directly with our president and CEO on a regular basis.

Our DEI philosophy is focused on ensuring that our employees feel safe, heard, comfortable, and valued. By embracing our people and their diversity of backgrounds, opinions, and ideas, we empower them to take action, ultimately fostering more creativity, novel ways of thinking, better problem-solving, and greater perspective within our organization.

Taking a Cyclical Approach

Our DEI strategy at Schrödinger is simple: Continuous improvement focusing on specific challenges and opportunities that arise at our company and in STEM-related industries. We are in a constant state of receiving feedback on our DEI efforts to inform related performance metrics, and we invest in new programs and resources to advance our DEI mission and evaluate the success of those initiatives.

Our DEI Council: Providing a Forum for All Voices

Our DEI Council, a select group of senior leaders, ERG representatives (see following section), and passionate employees, meet on a monthly basis to advise on the company's DEI strategy, priorities, and goals. Our DEI Council also provides a permanent forum for voices to be heard across all levels of the organization.

After completing the first two-year cycle of the DEI Council in 2022, we began evaluating how to improve the Council heading into 2023. Two areas emerged as significant opportunities for advancing the Council's efficacy: Increasing global representation on the Council, particularly from the APAC region, and adding more accountability measures to yield more concrete Council initiatives. As a result, Schrödinger will introduce a new DEI Council structure in 2023 consisting of two groups that will allow all participants to meet during standard working hours.



Advancing DEI Through Employee Resource Groups

Schrödinger currently sponsors six ERGs. Each ERG provides support and sharing of resources while representing and communicating the interests of that group to the company. They are not only meant to be a safe space for those who self-identify with certain groups, but also a vehicle for allyship throughout the company.

While our ERG membership directly engages approximately one-third of our employees, these forums also provide an environment for community support, professional development, and educational opportunities for our entire employee population. Through our ERG leadership program, ERG leaders are provided with the opportunity to hone leadership skills such as negotiation and public speaking.

Our ERGs are also involved in recruiting diverse candidates and participating in industry conferences, extending their reach well beyond Schrödinger.

In 2022, we began evaluating ways to further strengthen our ERGs and identified these focus areas:

- Increase ERG member engagement
- Expand ERG participation globally with new chapters
- Build accountability through new ERG-specific measurement mechanisms to evaluate growth and efficacy of ERG programming
- Create a leadership incubator for ERG members to gain the skills necessary to advance in their careers

To execute on these new objectives, we plan to introduce several changes to the current structure of our ERGs in 2023. This includes: increasing terms for ERG leadership roles to a minimum of two years, encouraging each ERG to develop at least one business-focused SMART (specific, measurable, achievable, relevant, and time-bound) goal to advance DEI at Schrödinger, and introducing more leadership opportunities within each ERG.

ERGs: Advancing DEI at Schrödinger

Our six ERGs provide safe and equitable spaces for employees to advance inclusivity, create opportunities for education and awareness, and contribute to ongoing business objectives.



Caregivers and Parents of Schrödinger (CAPS): Provides resources to parents and other employees acting as caregivers to help manage the challenges they face.



Schrödinger Allied Sexualities Society (S.A.S.S.): Acts as a resource for LGBTQIA+ employees and their allies by building community, raising awareness, increasing communication, and pursuing the ways in which Schrödinger can be a more diverse, inclusive, and innovative space.



Schrödinger People of Color (SPoC): Aims to increase knowledge and sensitivity to race- and ethnicity-centered issues in the workplace, as well as provide a rich community of people representing all identities.



Schrödinger Gender Equity (SGE): Founded to provide a space for bringing to light and discussing issues specific to underrepresented genders in the workplace, with the focus on advocating for consistent and lasting improvement within our organization and our greater community.



International Community of Schrödinger (ICS): Formed to bring together international employees and their local allies to offer practical and cultural support, providing opportunities for those away from "home" to build community.



Healthy Minds Alliance (HMA): Dedicated to harnessing our employees' best selves, developing proactive and reactive mental wellness resources, and fostering a sense of belonging for minds of all kinds.

Expanding Our DEI Starter Kit

In 2021, Schrödinger partnered with the NeuroLeadership Institute (NLI) to develop a pilot program centered around a customized DEI Starter Kit, a course designed to equip our employees with critical tools and language to talk about inclusion, bias, and leveraging a growth mindset in the workplace. The pilot featured participation from 50 Schrödinger employees, including our entire leadership team, our DEI Council, our Human Resources team, and the leaders of our ERGs.

Based upon the success of the pilot program, we began building out the DEI Starter Kit and expanding the program globally in 2022. The program now encompasses weekly learning modules that include quick videos and a series of practice tools that participants work on together with their cohort groups. The courses are easily digestible and involve practical application, encouraging experiential learning through repetition. As the courses progress, they also include live webinars with an NLI facilitator, as well as a facilitated practice session with someone within the company who has already taken the course – a purposeful approach to encourage peer participation and modeling.

"As someone who is currently enrolled in the DEI Starter Kit program, I am incredibly encouraged by the level of engagement within the weekly cohort meetings and group forums. I have never seen quite this level of activity among participants in similar settings. Our colleagues are really speaking up, and often feel comfortable enough to share vulnerable anecdotes that are related to advancing the topic at hand."

— Alex Schuman,
Head of Corporate Sustainability

Ensuring Patient Centricity and Diversity in Drug Discovery

At Schrödinger, putting the needs and priorities of patients first is essential to our aspirations to improve all areas of the drug discovery process.

Race, ethnicity, age, gender, and other demographic factors can all play a role in how someone responds to a medicine. Ensuring diversity in clinical trial participants is necessary for creating safe and effective drugs – for everybody.

Contributing to a More Inclusive Future for Clinical Research

As Schrödinger expands its wholly-owned drug development efforts, we are committed to:

- Encouraging diversity in our investigators
- Prioritizing community trial sites that represent a diverse population
- Improving access to information and expanding education on the drug development process in our communities
- Reducing barriers to participation by centering the patient perspective in trial design and protocols

Supporting Gender Equity in STEM

In early 2023, Schrödinger hosted 25 college students on-site for "Hacking the Gender Stack," an event geared toward those pursuing computer science with an interest in healthcare. The Schrödinger Development, Strategic Growth, and DEI teams, and others, facilitated the session.

Later in 2023, we are planning an event called "Catalyzing Gender Equity at Schrödinger: Early Careers in Computational Sciences," aimed at women and nonbinary scientists and Ph.Ds. Our CEO, President of R&D Therapeutics, and many Schrödinger scientists will be providing their perspectives and answering questions for the group.



Workforce Metrics†

As of Dec. 31, 2022

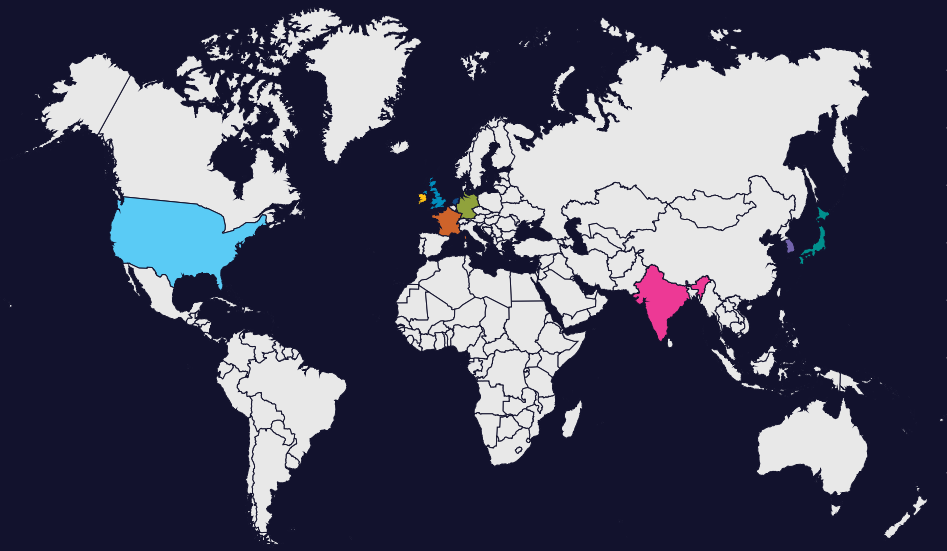
Global Workforce
Number of Employees



Employees with a Ph.D.	339
Full-time employees	778
Fixed-term employees*	12
Part-time employees	10

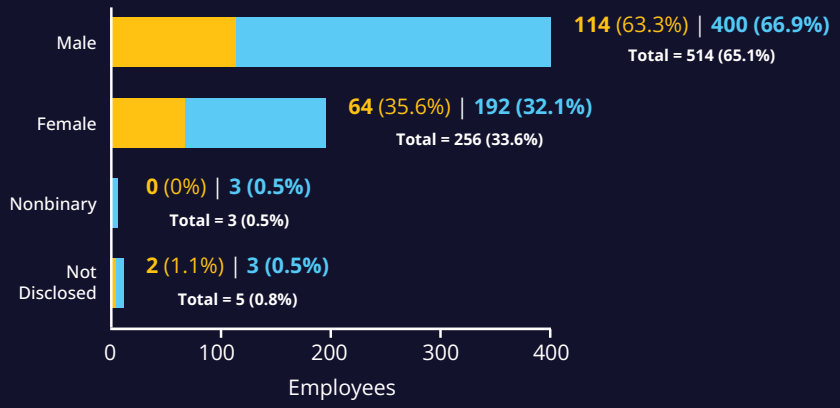
*An employee whose employment with Schrödinger is for a fixed period of time.

Global Full-time Workforce
By Region

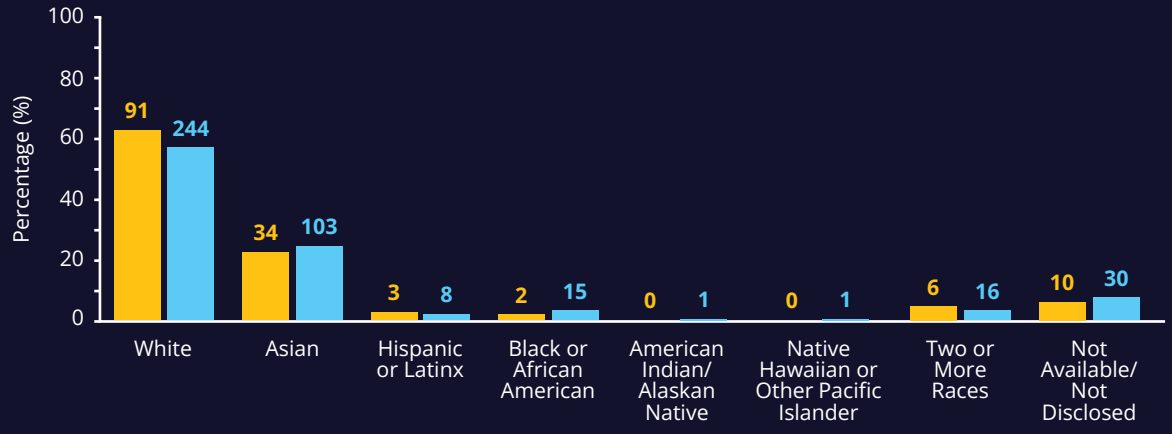


72.5% | 564	United States
16.1% | 125	India
4.6% | 36	Germany
2.8% | 22	Japan
2.1% | 16	United Kingdom
0.9% | 7	France
0.8% | 6	South Korea
0.1% | 1	Netherlands
0.1% | 1	Ireland

Management | All Other Full-time Employees (Global)
Gender



Management | All Other Full-time Employees (U.S. Only)
Race/Ethnicity

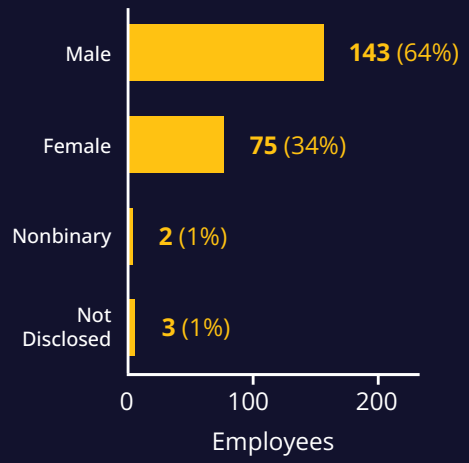


†Demographics and job categories defined under EEO-1 reporting guidelines

Workforce Metrics† (Continued)

Global Workforce

New Hires By Gender



Global Workforce

Turnover and Retention Rates







Voluntary Turnover Rate by Position









†Demographics and job categories defined under EEO-1 reporting guidelines

Employee Well-Being

Schrödinger Definition: Working toward the best interests of our colleagues is also in the best interest of our company. We offer competitive benefits and other targeted support to ensure that our colleagues are cared for well. We place a high value on work-life balance and the importance of our colleagues' mental, physical, and emotional well-being.



value to our company

- Supports employees' mental, physical, and emotional well-being
- Helps employees bring their best selves to work
- Boosts reputation as an employer of choice for prospective talent

Promoting Employee Well-Being



value for the world

- Enables employees to provide for their families and loved ones
- Creates better work-life balance with advantages that extend to family and friends
- May positively influence how employees engage at home and in their communities

Respecting and Rewarding Our People

Schrödinger provides a best-in-class work environment that appreciates our employees' contributions and encourages their creativity. Competitive salaries, participation in our equity programs, professional growth opportunities, and excellent benefits are just the beginning. Schrödinger also focuses on building a community of wellness, belonging, and support – a community that helps employees thrive.

Facilitating Wellness and Work-Life Balance

Schrödinger recognizes the value of in-person collaboration and relationship building, while also being mindful of the needs and priorities our employees have outside of the workplace. Our flexible hybrid work schedule currently gives employees the option of coming into the office two days per week and working remotely the other three. This allows employees to develop a work schedule that best suits their individual needs. Prior to the COVID-19 pandemic, employees had the option of coming into the office three days per week and working remotely the other two.

We are also helping employees build relationships outside of their day-to-day work and stay connected with one another on a personal level through a series of Schrödinger chat rooms devoted to common interests. We offer rooms tailored to individual offices, as well as special interests like travel, cooking, parenting, and gardening.

Each of our U.S. offices provides weekly wellness sessions on a rotating basis that may include cardiovascular fitness classes (offered in person and virtually), virtual yoga classes, meditation, and more. Our teams also plan social events in and out of the office, including volunteer opportunities, get-togethers, and team building.

To facilitate connections throughout our global employee population, in 2021 Schrödinger launched RandomCoffee, a platform that randomly matches colleagues across departments and office locations for introductory coffee chats on a biweekly basis.



Expanding Employee Benefits

Schrödinger provides an array of benefits* designed to advance the health and well-being of our employees and support their diverse and evolving needs. In 2022, we introduced a number of new well-being benefits in addition to those already established.

NEW

Family Care Benefits. All benefits-eligible employees now have access to Care.com, the world's largest online network of background-checked caregivers for long-term, short-term, and backup care, allowing our employees to manage their family care needs and professional obligations.

Infertility Benefits. As part of Schrödinger's medical plan with UnitedHealthcare, an enrolled employee's healthcare plan will cover services for the diagnosis and surgical or medical treatment of infertility.

NEW

Travel Reimbursement for Reproductive Healthcare. Schrödinger will provide up to $4,000 in travel expense reimbursement to all benefits-eligible employees and their dependents who need to travel to a different state to receive access to reproductive healthcare.

NEW

Compassionate Leave. We offer up to five days of paid leave if an employee (or employee's spouse/partner) experiences a failed fertility treatment, failed surrogacy, or a miscarriage, or to travel for reproductive healthcare, irrespective of whether it is deemed medically necessary.

NEW

Mental Healthcare. We introduced mental healthcare from Lyra Health to offer our benefits-eligible employees and their dependents access to confidential support options. These include therapy, guided coaching, and self-care apps to navigate issues like stress, anxiety, depression, substance use, or other challenges.

Mindful Return. Our Mindful Return platform helps new parents find the balance between dedicated caregiver and empowered employee as they return to the workplace. The four-week, cohort-based program provides a safe, private online space for new parents to connect and support one another in their new life stage.

Tuition Reimbursement. Full-time Schrödinger employees are eligible for reimbursement for tuition costs associated with courses and degree paths related to their current position at Schrödinger, up to $3,000 annually.

Paid Leave for COVID-19. As part of our commitment to support a healthy workplace, we continue to offer up to 80 hours of paid leave for employees† who have been in close contact or tested positive for the virus to quarantine, recuperate, and recover from COVID-19.

Vaccination Leave. We also offer all benefits-eligible employees annual Vaccination Leave to obtain vaccinations and recover from any side effects. Employees who are parents may use their Vaccination Leave to accompany their children to vaccination appointments.

*Available to benefits-eligible, full- and part-time (25+ hours/week) U.S. employees and fixed-term employees contracted to work six months or longer.

†Available for all employees, regardless of benefits eligibility.

Academic and Community Outreach



Schrödinger Definition: As a company, Schrödinger believes in working toward the greater good. We participate in research collaborations focused on critical public health needs, and we offer our platform to certain stakeholders, like academics, at substantial discounts. We also work with universities and K-12 schools to further STEM education and careers. Additionally, we offer an employee matching gift program and paid time off for volunteering.

value to our company

- Empowers employees to contribute to causes they are passionate about
- Creates a talent pipeline of prospective employees at all levels
- Aids employee engagement and job satisfaction
- Exposes employees to new perspectives and ways of working

Engaging in Academic and Community Outreach



value for the world

- Contributes to a more educated society
- Sparks early interest in science
- Provides educational opportunities in STEM
- Generates awareness of opportunities within computational chemistry
- Creates immersive opportunities for people at the postdoctoral level
- Supports vulnerable populations in our local communities

Contributing to Educational and Community Enrichment

Our culture of giving back focuses heavily on educational outreach and engagement at all levels, from K-12 through college and post-graduate levels. We believe that an educated society raises the quality of life for all and provides the STEM fields with a continuous pipeline of potential talent. We also prioritize helping employees make a positive impact in their communities.

Educating the Next Generation

At Schrödinger, we believe that our unique computational platform can help spur a fascination with STEM. We place a strong emphasis on outreach and STEM education efforts, working with academic institutions from elementary schools to graduate programs to spread awareness of careers in technology and the sciences, and to ensure the next generation of scientists have the necessary skills to succeed.

The Joy of Science

In grades K-12, our efforts center around making science fun and accessible to encourage interest in STEM careers. One way we support this is through our work with Skype a Scientist, an educational program that connects scientists with classrooms around the globe. The program aims to spark students' interests in the sciences from a young age and break down the barriers to considering a career in the field. Schrödinger volunteers highlight computer-aided drug and materials design to illustrate how we accelerate the research process and bring molecules to life on the computer – no expensive laboratory equipment required.

"One important element of the Skype a Scientist program is that it familiarizes young students with the idea that a scientist can be anyone, including them."

— Jenny Chambers,
Director of Education



Career Possibilities

For high school students who are just beginning to think about their career options, we seek to raise awareness of computational chemistry as a potential field of study and build a talent pipeline by offering training opportunities and participating in career fairs.

Cristo Rey High School. Since 2018, Schrödinger has mentored students through a program established with the Cristo Rey High School in New York City. Selected students in grades 9 through 12 spend one day each week during the school year interning at Schrödinger, during which they gain valuable firsthand knowledge of computational chemistry, and Schrödinger's computational platform and business model. Over the course of the placement, interns meet with a wide range of Schrödinger employees to get a sense of the vast possibilities unlocked by pursuing a career in STEM.

Boston Public Schools. In 2022, Schrödinger participated in the Boston Public Schools College, Career and STEM Fair to introduce high school students to digital and computational chemistry. This event was designed to help students understand how they may further an interest in chemistry through their classroom and undergraduate coursework, and eventual careers. In Schrödinger's booth at the event, volunteers from our Cambridge, MA office provided a demonstration of our software, displaying how the program helps researchers better visualize atomistic phenomena like the predicted motions of a COVID spike protein binding with a host cell.

STEM Education Impact 2022

~275
K-12 students engaged

~150
educators trained

~17
schools receiving access to our platform via Teaching with Schrödinger

~355
college students engaged via Teaching with Schrödinger

Teaching the Teachers

In addition to our student-focused outreach, Schrödinger also works directly with educators to build awareness about computational molecular modeling.

Our annual Educator's Day brings together participants from across the globe for a series of live webinar presentations. In 2022, more than 150 attendees learned from professors, teachers, and high school students who integrate educational technology into courses ranging from pharmaceutical sciences and organic chemistry to physics. The event is a valuable opportunity to promote Schrödinger's software and facilitate networking opportunities with educators looking to incorporate modernized teaching methodologies into their curriculum. Due to the success of this initiative, and increased interest in incorporating molecular modeling into the classroom, we are expanding it to a multi-day event in 2023 and renaming it "Educator's Week".

"Advanced computational tools are rapidly changing our cultural and scientific landscape. Educators have the challenge to equip students with the dynamic skill sets needed to thrive both in society and in scientific careers. Educator's Day and our Teaching with Schrödinger program are two great examples of initiatives we have developed to empower teachers to address these technology gaps and prepare the leaders of tomorrow."

— Matt Repasky,
SVP Life Sciences Products

Setting the Platform for Education. In early 2022, we launched the Teaching with Schrödinger program, which adds industry-grade computational tools to school curriculums through a web-based version of Schrödinger's computational platform. Guided by 18 free lesson plans aligned to national and international learning standards, educators and students are empowered to create and interact with 3D molecular structures, understand how molecular physical and chemical characteristics are predicted on a computer, and see how these predictions impact multidisciplinary scientific progress. Educators can purchase access to a web-based version of our software to enable easy access for students at a very low cost. This allows teachers to create their own lesson plans and use Schrödinger software flexibly in their classes for teaching purposes.

Forging New Paths

To help equip the next generation of college graduates with critical skills, Schrödinger collaborates with LabCentral Ignite's Career Forge program. This 80-hour introduction to basic lab skills is geared toward recent STEM-curriculum graduates, particularly students of color who are underemployed or unemployed in their field of study due to a lack of experience or technical skills. Schrödinger leads presentations for these "Forgers" on the fundamental concepts of drug discovery and development, helping expose students to a broad range of careers in healthcare delivery.

Giving Back to Our Communities

At Schrödinger, a cornerstone of our company culture is to empower employees to be a positive force in our local communities and worldwide. Schrödinger encourages our employees to get involved and give back through a variety of company-wide initiatives, office programs, and individual efforts.

To help our employees find time in their busy schedules to engage in their communities, we recently launched a new benefit for each of our employees who work at least 25 hours per week: a paid day off each year to volunteer with an organization or program of their choosing. Schrödinger also offers a matching gift program that amplifies employee contributions to approved nonprofits of their choice.



Magner Career Center, Brooklyn College

Environmentally Beneficial Solutions

Schrödinger Definition: Our computational platform is transforming the discovery of high-quality, novel molecular solutions for drug development and materials applications. By consuming far fewer chemicals, compounds, and resources than conventional methods and supporting the development of new materials, we aid our customers in reducing their own environmental footprint.



value to our company

- Generates income for the company and value for shareholders
- Provides opportunities to apply Schrödinger's platform in new and different ways
- Reduces the environmental impact of in-house drug and materials discovery efforts by reducing chemical use
- Produces smarter approaches and product formulations

Offering Environmentally Beneficial Solutions



value for the world

- Helps customers reduce their own environmental impact
- Reduces global energy consumption, carbon emissions, and waste
- Enables recycling, reuse, and other beneficial disposition of materials
- Contributes to longer-lasting, more sustainable materials

Developing Sustainable Solutions for Our Customers and the Planet

As our global population grows, society continues to demand more from the world's finite resources. At Schrödinger, the work of our team helps to protect the planet through the discovery of new and better materials solutions that help reduce energy use, cut carbon emissions, and curtail waste by drastically reducing the volume of chemical compounds needed to discover new drugs, materials, and chemical solutions.

Schrödinger's computational platform employs the power of technology to help explore formulations for a wide range of materials used in virtually every industry.

Among other advantages, the new structural polymers our platform helps to develop enable a shift from metal-alloy materials to organic-based frameworks, allowing ▶

for lighter-weight components. Less weight in vehicles, for instance, translates to less fuel use, reduced operating costs, and lower carbon emissions.

We are also helping customers design alternative catalysts that reduce the energy required for chemical reactions, allowing them to produce drugs, molecules, and other materials more efficiently. Again, this has the potential to reduce the energy footprint and lower greenhouse gas emissions.

Additionally, we are helping industry and academic partners to identify and develop materials designed to have a longer application-specific service life or be more recyclable. Our quantum mechanics tools allow us to assess the chemical stability of different bonds in materials to determine how they will break down. Along with the benefits for the environment, recycling certain materials can also result in reduced costs.

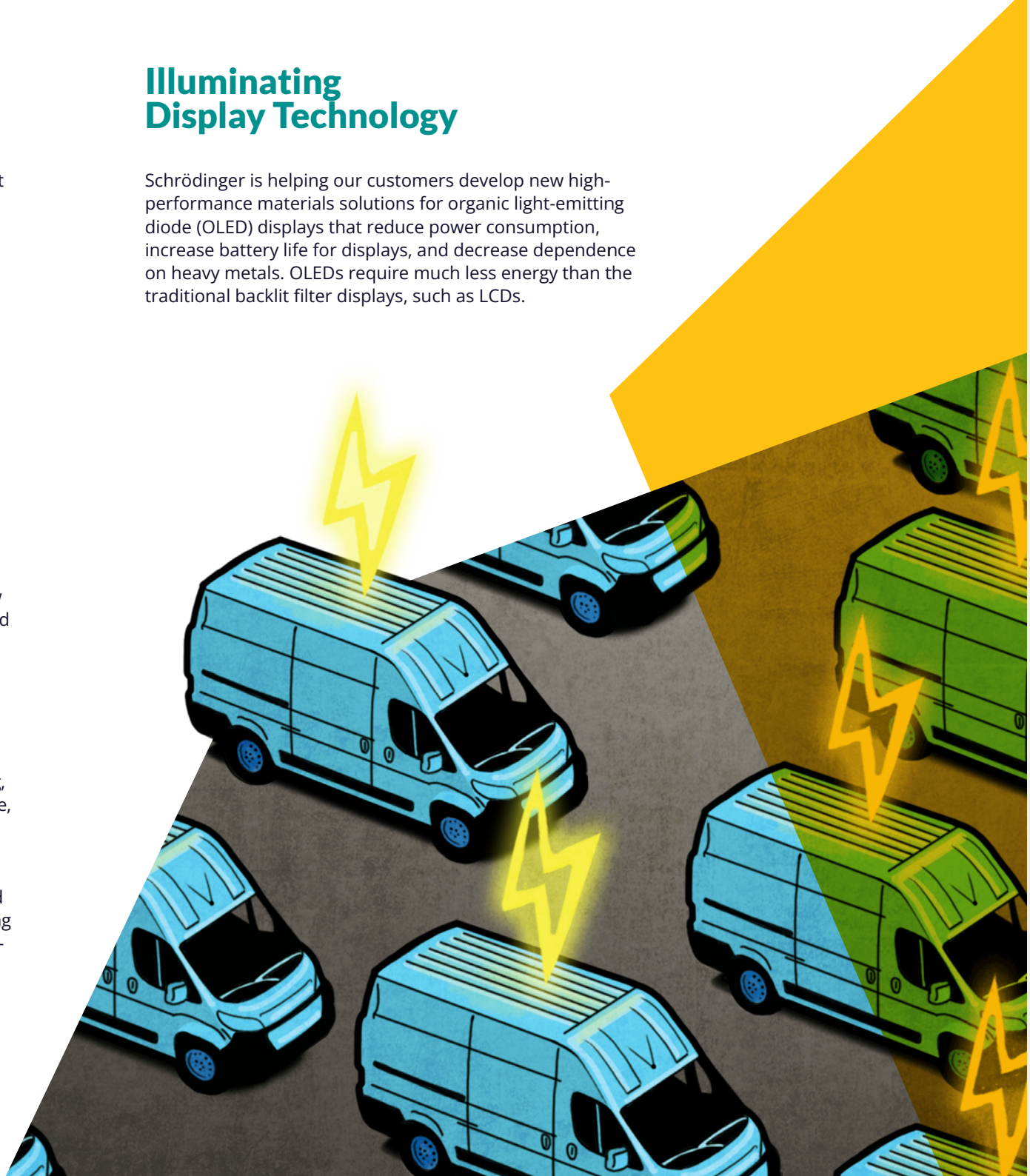
Through our platform, we are enabling expanded modes of materials recycling, developing high-performance materials derived from sustainable sources, reducing energy consumed and waste produced in various industrial processes, and increasing the performance of rechargeable batteries and how they store energy. We're helping the world think smarter — and more sustainably — about how things are made.

Re-imagining Energy Storage

We are collaborated with Eonix LLC to reduce the time and cost required to evaluate new materials and discover high-performing, commercially viable molecules for next-generation energy storage, for everything from phones and electric vehicles to entire energy grids. Together with Eonix, we developed a high-throughput materials screening platform by combining Eonix's experimental platform with Schrödinger's computational platform. This allowed us to explicitly measure the properties of materials in an operating lithium-ion battery in real-time and develop physics and machine-learned models. With it, we can accurately and efficiently model how a battery will perform using different materials, reducing what traditionally took months of research down to days. Ultimately, this may help reduce cost, increase battery capacity, improve their cycling rates, and make them safer overall.

Illuminating Display Technology

Schrödinger is helping our customers develop new high-performance materials solutions for organic light-emitting diode (OLED) displays that reduce power consumption, increase battery life for displays, and decrease dependence on heavy metals. OLEDs require much less energy than the traditional backlit filter displays, such as LCDs.



Lightening the Load

By replacing metals with organic polymer composites, the aerospace industry is transitioning toward lighter, more robust, high-performing materials. The resulting impact is better performance metrics for the mechanics of an airplane, reduced waste, less fuel consumption, and lower greenhouse gas emissions. Schrödinger's simulation technology is helping aerospace manufacturers develop new, lighter-weight composites.

Optimizing Sustainable Food and Food Packaging Development Formulation

As the world population increases and climate change threatens to imperil crop yields and other methods of food production, Schrödinger is acting on the urgent need for a sustainable supply of sustenance. Specifically, we're leveraging molecular modeling technology to optimize the food development process, improve food-cycle sustainability, increase food shelf life with smart packaging materials, and innovate food-processing systems. Our simulation tools can help accelerate innovation in functional foods to help fight obesity, heart disease, and other chronic diseases with ingredients that are both appealing and cost-effective for the industry. These include alternative protein sources, (including plant-based meats), bio-based ingredients, fortified foods, and nutraceuticals.

"Digital simulation can play an essential role in extracting the most value and efficiency from the earth, creating milder chemicals for the earth, and giving everyone improved access to clean, renewable energy."
— Andrew Jackson, Technology Solutions Scientist for Solvay, a Schrödinger customer

The world's transition to renewable energy means increased demand for metals like copper, cobalt, and nickel, which all take tremendous energy to mine. Global chemical company Solvay is creating a solution for more energy-efficient mining. Using digital simulation, the company is developing milder chemical reagents to improve the processes used to extract metals from ore.



Operational Environmental Footprint

Schrödinger Definition: We recognize that every business has an environmental footprint. Our footprint centers primarily on the energy we use to run our computational software, power our offices, and engage in business travel.



value to our company

- Reduces costs and waste
- Demonstrates to employees that Schrödinger lives its values
- Helps protect the health and safety of our employees
- Provides opportunities to collaborate with suppliers on impact reduction

Reducing Operational Environmental Footprint



value for the world

- Helps to protect and preserve the planet and human health
- May help collaborating suppliers gain new capacities in reducing their own footprint
- Contributes to a low-carbon future

Operating Responsibly, Creating Healthy Environments

Schrödinger operates responsibly wherever we do business, while maintaining environments that provide inspiration and comfort for employees. At our U.S. sites, we offer recycling and composting – along with applicable training – wherever possible. In our New York City headquarters, we also centralized disposal receptacles to encourage responsible sorting of anything we might discard. Additionally, through donations, we find new homes for used office furniture and other items.

We ensure electronics are disposed of in ecologically sound ways, and we limit the number of printers in our offices to discourage unnecessary use of paper. We also source supplies and other goods and services locally whenever we can. ▶

In late 2022, we built out two new U.S. offices, while adding 27,000 square feet to our headquarters in New York City. We completed all three of these projects adhering to the highest level of Leadership in Energy and Environmental Design (LEED) certification available based on the conditions of existing structures. Additionally, our two new offices, and the additional square feet, will be certified to both WELL Health-Safety and Fitwel standards, ensuring healthy surroundings for our staff and visitors alike.

As we grow, we are committed to building out future office and lab space in an environmentally sound manner, maintaining our focus on LEED standards and employee wellness. We also intend to increase monitoring and measurement of our carbon footprint, including accounting for third-party services such as data centers. At the same time, we plan to formally track our water usage to identify conservation opportunities. And to help guide responsible operational decisions across our global facilities, we're in the process of formalizing policies and processes focused on minimizing our environmental footprint.

NY Headquarters Receives LEED® Gold Designation in 2022

In partnership with an architecture and sustainability consulting team, we created a best-in-class, sustainable, and healthy work environment at our New York headquarters.

We designed our 109,000-square-foot space with construction practices and aesthetic solutions that mitigate embodied carbon, which encompasses the emissions related to manufacturing, installation, and other processes tied to building materials. Using this approach, we prioritized health, well-being, and the environment, while following the standards of rating systems like LEED, WELL Health-Safety and Fitwel. As the result of our deliberate design approach, the office is expected to emit 55% less carbon than the industry average while serving as a comfortable and collaborative space for our team.

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Use of the Cloud Helps Reduce Our Footprint

We have shifted a significant portion of our computational chemistry to the cloud in an effort to gain access to additional computing power and operate more efficiently. Because our cloud providers are relying more and more on renewable energy and ever-more efficient hardware, we expect that our use of the cloud will also reduce the carbon footprint associated with operating our platform. As we advance in measuring and monitoring our environmental impacts, we plan to report on this progress.



Ethics, Transparency, and Compliance

Schrödinger Definition: We believe in always doing the right thing. We maintain the highest ethical standards in our interactions with colleagues, partners, and investors and are compliant with all applicable laws and regulations. We place high importance on being transparent with all of our stakeholders.



value to our company

- Ensures good standing with relevant authorities and regulatory bodies
- Maintains reputation as a responsible employer
- Provides assurance to customers, investors, and other stakeholders
- Provides structure and guidance for employees

Sustaining a Commitment to Ethics, Transparency, and Compliance



value for the world

- Protects against potential negative external consequences associated with ethics or compliance breaches
- Models integrity for others in the industry and beyond
- Bolsters stakeholder confidence in Schrödinger

Conducting Business Ethically

Building and maintaining trust with our stakeholders is a business and ethical imperative. That's why acting with integrity is at the core of everything we do. The foundational document that guides our behavior is Schrödinger's Code, a document that is updated periodically to ensure business relevance and comprehensiveness. Employees are asked to certify annually they have read and understand the Code.

As of March 2023, all of our employees had done so. The Code requires that all Schrödinger employees worldwide follow the outlined standards and comply with all legal requirements in each country where we conduct business. ▶

In 2022, the Schrödinger Board of Directors approved an amended and restated Code. These updates included supplemental and alternative communication channels for raising and reporting concerns to comply with certain changes in global privacy and data protection regulations, and clarified that if local rules and law require a more restrictive standard, then the more restrictive requirements should always be followed. This foundational document serves as our framework for acting with integrity and connecting our ethical values to our business conduct.



Keeping Current: 2022 Corporate Policy Updates

As Schrödinger evolves as a public company, we are continually evaluating and updating company policies as we identify needs or gaps.

Insider Trading. Our Insider Trading Policy has been updated to reflect changes to the timing of our quarterly restricted trading windows and to address certain legal requirements regionally. This policy is part of mandatory onboarding training for all employees.

Quality. As we advance our wholly-owned drug development candidates, early clinical development has become an increasingly important component to the success of our business. To maintain the highest standards of quality, in 2022, we hired a GxP (good practice) Quality Director who will help coordinate and lead the establishment of quality and compliance procedures, and the development of organizational quality strategies and oversight to ensure Schrödinger complies with regulatory requirements. Among the first major projects undertaken by our new Quality Director was to develop a formal Quality Policy for our Therapeutics Group.

Social Media. Communicating through online networks can be a useful and powerful tool for our business and a way for our employees to advocate for our company. Doing so, however, also poses some challenges and potential pitfalls, especially if guidelines for engagement are unclear. To ensure alignment and foster ethical use of social media across our organization, Schrödinger issued its first global Social Media Policy in 2022.

Catalyzing Centralized Compliance

At Schrödinger, our commitment to compliance is enterprise-wide. We are in the process of developing a centralized compliance function to bring together all subject matter experts and their individual compliance efforts into one cohesive and comprehensive global program. As part of this plan, we intend to grow our internal function with the hiring of an additional compliance professional in 2023.

These actions include selecting and implementing our first Ombuds Office/Compliance System, operated by an independent, third-party provider, to address and respond to European-based concerns. The Compliance System offers employees, business partners, customers, and members of the public the opportunity to report concerns or seek guidance anonymously about any potential misconduct or unethical behavior with respect to individuals or matters in Europe related to the company.

In addition to the policies we already have in place, we are currently developing policies on the following topics: Global Equal Opportunity and Anti-Harassment, Supplier Code of Conduct, Environmental, Health, and Safety, and Outside Activities. We're also updating all existing regional privacy policies.

Cultivating Ethics and Compliance Through Training and Education

Equipping employees with the knowledge they need to ensure that Schrödinger's high standards for ethics and compliance are upheld is a business priority. We require training globally on the following key topics and are developing trainings in other critical areas.

- Maintaining a Respectful and Harassment-Free Workplace
- Drug Discovery Firewall Policy
- Insider Trading
- Anti-bribery/Anti-corruption (including anti-money laundering)
- Cybersecurity Awareness Training

In 2023, we plan to introduce an annual Global Ethics and Compliance Day to reinforce awareness, recognition, and underscore our core ethics and compliance principles.



Convening on Global Compliance

In 2022, Schrödinger held an inaugural Global Ethics & Compliance Panel that brought together senior leaders, including our president and CEO, to better understand how matters of ethics and compliance influence how we work, the decisions we make, and the roles that we each play in upholding the company's core principles. Key takeaways from this event include:

- Ethics must be integrated into the everyday life of a company. At Schrödinger, behaving ethically is an instinctual part of our culture.
- Business ethics do not exist in a vacuum. They reflect underlying societal values, which may change over time and across cultures.
- The C-suite must set the tone on ethics and compliance for the rest of the company. Ethical culture and business practices trickle down from the top.

Responsible Use of Technology



Schrödinger Definition: We recognize that the power of our platform comes with great responsibility. We use discretion when deciding what types of organizations can license our software, and we have safeguards in place to help ensure that it is not used for malicious or questionable ends.

value to our company

- Guards against potential nefarious uses of Schrödinger's platform
- Protects Schrödinger's reputation as a company that strives to always do the right thing
- Assures employees that the company is focused on doing good

Applying Technology Responsibly



value for the world

- Thwarts potential misuse of Schrödinger's platform
- Helps dispel misconceptions about machine learning
- Advances general reputation of the technology sector

Guarding Against Misuse

We carefully evaluate all potential partners to help ensure our software will be used in ways that align to and advance our mission. The use of our platform requires significant training and technical support from Schrödinger software experts and computational scientists. We will refuse to provide such consultation on projects we deem have the potential to be misaligned with our mission.

Enabling the Work of Medicinal and Computational Chemists

Technologies like machine learning (often referred to as AI) received considerable media attention in 2022 and, especially, in early 2023. A fair amount of this coverage focused on the impact these technologies might have on the future of human employment. In its study, The Future of Jobs Report, the World Economic Forum predicted that more jobs would be created by these technologies than lost, especially in skilled fields. At Schrödinger, we believe that rather than replacing chemists, our platform will enable them to be more productive and effective in their work. By combining the accuracy of physics with the speed of machine learning, our computational platform aids chemists with designing and testing their ideas faster, leading to more high-quality ideas generated with less time spent synthesizing compounds.

Intellectual Property

Schrödinger Definition: We have spent many years and have invested substantial monetary resources in developing our computational platform and other key assets, including our pipeline of therapeutics programs. It is essential that we protect our intellectual property so that we can continue to invest, innovate, and return value to our colleagues and shareholders.



value to our company

- Protects Schrödinger technology and innovations
- Gives employees confidence their work is making a difference to Schrödinger's success
- Safeguards company innovations for further growth
- Generates value for our shareholders

value for the world

- Generates value for customers and other stakeholders
- Enables continuation of solutions that improve human health and quality of life
- Helps ensure the integrity of our technology when used to further societal needs

Advancing Our Ability to Innovate

Schrödinger's ability to maintain our position in the market is based in large part on the continued enhancement of our proprietary platform and the pursuit of intellectual property protection (where applicable) related to the platform, including relevant improvements and innovations. These protections are also critically important for the drug discovery candidates using the company's platform, whether as part of a research collaboration or our proprietary pipeline.

We rigorously protect our intellectual property through timely preparation, filing, prosecution, maintenance, and enforcement of related patent and/or trademark applications. Patent and trademark protection, directed to various types of inventions, is pursued on a global basis. In addition, we obtain copyright registrations for our proprietary platform. Even in instances in which the company provides access to our platform at low cost to academia and other not-for-profit entities and organizations, the company retains intellectual property rights to its platform and improvements.

Schrödinger makes its platform available at significant discounts to certain stakeholders, including academic institutions, educators, and life science collaborators.

Cybersecurity and Data Privacy

Schrödinger Definition: Schrödinger is committed to being a good steward of our own and our customers' digital data, ensuring that our internal systems and platform are secure, and that we are operating with the highest levels of integrity. We are compliant with all local and regional regulations related to data and privacy.

value to our company

- Protects data, systems, and platform from external threats
- Safeguards the business and investments
- Enables compliance with regulations and accepted external standards

Committing to Cybersecurity and Data Privacy



value for the world

- Protects clients' data
- Protects personal data
- Guards against potential misuse of our platform

Stewarding Data and Systems

Business and society's increasing reliance on technology and data has led to vast amounts of confidential and sensitive information being stored, transmitted, and shared electronically. This information and the systems they rely upon are targets for cyber criminals who are growing more sophisticated.

Schrödinger's business depends heavily on the creation and processing of confidential and sensitive data. Therefore, it is imperative that we have the necessary systems, processes, and policies in place to guard against theft or destruction of our data, our clients' data, and that of current, former, and prospective employees.

Schrödinger maintains a firewall that clearly separates personnel who work on our internal drug discovery programs from other customer data. This enables us to pursue our internal drug discovery and development collaborations while ensuring the confidentiality and integrity of customer data.

We have a dedicated security team with policies, processes, and technology that align with the National Institute of Standards and Technology Cybersecurity Framework (NIST CSF). While Schrödinger does not process or control large amounts of personally identifiable information as part of our core business, we have essential processes in place to ensure personal data privacy. We also have a Data Protection Officer located in the EU with whom we consult on data protection issues impacting EU citizens under the EU General Data Protection Regulation (GDPR). In addition, Schrödinger adheres to all local data privacy regulations, including the California Consumer Privacy Act, as ammended.

Reporting Appendix

About This Report

This report references the Global Reporting Initiative (GRI) Standards 2021. GRI Standards deemed not material to the company, or that we have opted not to report against, have been excluded from the GRI Index. Regarding energy and emissions data and most occupational health and safety information, specifically, Schrödinger is in the process of evaluating its footprints in these areas and willl include this information in future Corporate Sustainability Reports. We have also included disclosures from the Sustainability Accounting Standards Board (SASB) Biotechnology & Pharmaceuticals Standard and the SASB Software & IT Services Standard. The report covers data and activities primarily from our fiscal year ending December 31, 2022, but also includes some information preceding and shortly following that date.

GRI Index

Disclosure	GRI Standards Disclosure Title	2022 Location/Response
General Disclosures		
2-1	Organizational details	Schrödinger 2022 Corporate Sustainability Report, About Schrödinger, Page 6 Schrödinger 2022 Annual Report on Form 10-K, Item 1. Business
2-2	Entities included in the organization's sustainability reporting	Schrödinger 2022 Annual Report on Form 10-K, List of Subsidiaries, Exhibit 21.1
2-3	Reporting period, frequency and contact point	Unless otherwise stated, quanitative and qualitative data contained in this report covers our fiscal year ending December 31, 2022. Some anecdotal information from before and following the reporting period is also included. We intend to report annually on our Corporate Sustainability performance. For more information, contact: corporateaffairs@schrodinger.com
2-4	Restatements of information	Not applicable. This is our inaugural Corporate Sustainability Report.
2-5	External assurance	Not applicable.
2-6	Activities, value chain, and other business relationships	Schrödinger 2022 Corporate Sustainability Report, About Schrödinger, Page 6; Drug Discovery and Life Science Collaborations, Page 16; Academic and Community Outreach, Page 32; Environmentally Beneficial Solutions, Page 36 Schrödinger 2022 Annual Report on Form 10-K, Item 1. Business
2-7	Employees	Schrödinger 2022 Corporate Sustainability Report, About Schrödinger, Page 6; Diversity, Equity, and Inclusion, Pages 27-28
2-8	Workers who are not employees	Schrödinger 2022 Corporate Sustainability Report, Diversity, Equity, and Inclusion, Pages 27-28
2-9	Governance structure and composition	Schrödinger 2022 Corporate Sustainability Report, ESG Governance, Page 12 Schrödinger 2023 Proxy Statement, Page 15 Schrödinger Corporate Governance Website
2-10	Nomination and selection of the highest governance body	Schrödinger 2023 Proxy Statement, Page 15

Disclosure	GRI Standards Disclosure Title	2022 Location/Response
General Disclosures		
2-11	Chair of the highest governance body	The Schrödinger Board of Directors is led by an independent director. Schrödinger Board of Directors
2-12	Role of the highest governance body in overseeing the management of impacts	Schrödinger 2022 Corporate Sustainability Report, ESG Governance, Page 12 Schrödinger Nominating and Corporate Governance Committee Charter
2-13	Delegation of responsibility for managing impacts	Schrödinger 2022 Corporate Sustainability Report, ESG Governance, Page 12 Schrödinger Nominating and Corporate Governance Committee Charter
2-14	Role of the highest governance body in sustainability reporting	Schrödinger 2022 Corporate Sustainability Report, ESG Governance, Page 12
2-15	Conflicts of interest	Schrödinger 2023 Proxy Statement, Pages 15, 33, 62
2-16	Communication of critical concerns	Schrödinger Code of Business Conduct and Ethics, Page 10
2-17	Collective knowledge of the highest governance body	Schrödinger 2022 Corporate Sustainability Report, ESG Governance, Page 12
2-18	Evaluation of the performance of the highest governance body	Schrödinger 2023 Proxy Statement, Page 18
2-19	Remuneration policies	Schrödinger 2023 Proxy Statement, Page 24
2-20	Process to determine remuneration	Schrödinger 2023 Proxy Statement, Page 24
2-21	Annual total compensation ratio	Schrödinger 2023 Proxy Statement, Page 45
2-22	Statement on sustainable development strategy	Schrödinger 2022 Corporate Sustainability Report, Message From Our CEO, Page 4
2-23	Policy commitments	Schrödinger 2022 Corporate Sustainability Report, Ethics, Transparency, and Compliance, Page 41 (Conducting Business Ethically and Keeping Current: 2022 Corporate Policy Updates) Corporate policies at Schrödinger are developed, approved, and embedded at varying levels within the company based on the policy topic. Schrödinger Nominating and Corporate Governance Committee Charter
2-24	Embedding policy commitments	Schrödinger 2022 Corporate Sustainability Report, Ethics, Transparency, and Compliance, Page 41 (Conducting Business Ethically and Keeping Current: 2022 Corporate Policy Updates) Corporate policies at Schrödinger are developed, approved, and embedded at varying levels within the company based on the policy topic. Schrödinger Nominating and Corporate Governance Committee Charter
2-25	Processes to remediate negative impacts	Schrödinger 2022 Corporate Sustainability Report, ESG Governance, Page 12; Operational Environmental Footprint, Page 39; Ethics, Transparency, and Compliance, Page 41; Responsible Use of Technology, Page 44
2-26	Mechanisms for seeking advice and raising concerns	Schrödinger Code of Business Conduct and Ethics, Page 10
2-27	Compliance with laws and regulations	During our fiscal year ending December 31, 2022, Schrödinger was not subject to any material legal proceedings.

Disclosure	GRI Standards Disclosure Title	2022 Location/Response
General Disclosures		
2-28	Membership associations	American Association for Cancer Research (AACR) • American Association of Pharmaceutical Scientists (AAPS) • American Board of Toxicology • American Chemical Society Computers in Chemistry Division (ACS COMP) • American Chemical Society Physical Chemistry Division (ACS PHYS) • American Chemical Society San Francisco Bay Area COMP Together • American College of Toxicology • American Society of Clinical Oncology (ASCO) • American Society of Hematology (ASH) • Association of Clinical Research Professionals (ACRP) • BaseLaunch American Association for the Advancement of Science (AAAS) BioRN • Boston Area Group for Informatics and Modeling (BAGIM) • Controlled Release Society • Health and Environmental Sciences Institute (HESI) • International Society for the Study of Xenobiotics (ISSX) • National Fragile X Foundation • New York Area Group for Informatics and Modeling (NYAGIM) • Pistoia Alliance • Society of Toxicology • Southern California Area Group for Informatics and Modeling (SAGIM) • Targeted Protein Degrader Safety Committee • The BioIndustry Association (BIA) • Undergraduate Life Sciences Skills Consortium (LifeSci NYC) • World 50 (Sustainability50 and I&D Impact Community)
2-29	Approach to stakeholder engagement	Schrödinger 2022 Corporate Sustainability Report, ESG Governance, Page 12; Drug Discovery and Life Science Collaborations, Page 16; Diversity, Equity, and Inclusion, Page 23; Academic and Community Outreach, Page 32
2-30	Collective bargaining agreements	Globally, 21 employees in Japan and seven employees in France are covered by some type of a collective bargaining agreement.
Material Topics		
3-1	Process to determine material topics	Schrödinger 2022 Corporate Sustainability Report, ESG Governance, Page 12
3-2	List of material topics	Schrödinger 2022 Corporate Sustainability Report, ESG Governance, Page 12
3-3	Management of material topics	Schrödinger 2022 Corporate Sustainability Report, ESG Governance, Page 12 See also, each respective material topic section of this report.
Economic Performance		
201-1	Direct economic value generated and distributed	Schrödinger 2022 Annual Report on Form 10-K, Item 8. Financial Statements and Supplementary Data
201-2	Financial implications and other risks and opportunities due to climate change	Schrödinger is in the process of evaluating its operational environmental footprint and does not yet have this information.
201-4	Financial assistance received from government	During the reporting period, Schrödinger did not receive any significant financial support from government.
Indirect Economic Impacts		
203-1	Infrastructure investments and services supported	Schrödinger 2022 Corporate Sustainability Report, Drug Discovery and Life Science Collaborations, Page 16; Academic and Community Outreach, Page 32
203-2	Significant indirect economic impacts	Schrödinger 2022 Corporate Sustainability Report, Drug Discovery and Life Science Collaborations, Page 16; Academic and Community Outreach, Page 32
Anti-corruption		
205-1	Operations assessed for risks related to corruption	Partially reported: Schrödinger 2022 Corporate Sustainability Report, Ethics, Transparency, and Compliance, Page 41
205-2	Communication and training about anti-corruption policies and procedures	Partially reported: Schrödinger 2022 Corporate Sustainability Report, Ethics, Transparency, and Compliance, Page 41
205-3	Confirmed incidents of corruption and actions taken	In 2022, Schrödinger recorded no monetary losses as a result of legal proceedings associated with corruption or bribery. There were no confirmed incidents of corruption.

Disclosure	GRI Standards Disclosure Title	2022 Location/Response
Anti-competitive Behavior		
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	In 2022, Schrödinger recorded no monetary losses as a result of legal proceedings associated with anti-competitive behavior, anti-trust, and monopoly practices.
Employment		
401-1	New employee hires and employee turnover	Schrödinger 2022 Corporate Sustainability Report, Diversity, Equity, and Inclusion, Pages 27-28
401-3	Parental leave	Company-provided parental leave is available to U.S. FTE employees. Employees in global offices are offered statutory parental leave as available in their country of employment.
Occupational Health and Safety		
403-2	Hazard identification, risk assessment, and incident investigation	Schrödinger is in the process of auditing its office spaces after completing an audit of its lab. Outcomes of these audits will be reported in future Corporate Sustainability Reports.
403-5	Worker training on occupational health and safety	Partially reported. Schrödinger employees working in lab settings participate in occupational health and safety training.
403-6	Promotion of worker health	Schrödinger 2022 Corporate Sustainability Report, Employee Well-Being, Page 29 Additionally, Schrödinger provides ergonomics training annually in the U.S., as well as standing desks, ergonomic chairs, and monitors. The company also provides flu shots.
403-8	Workers covered by an occupational health and safety management system	Partially reported. Employees working in lab settings are covered by an occupational health and safety management system. Schrödinger is in the process of evaluating its systems for office settings.
403-9	Work-related injuries	Schrödinger is in the process of evaluating its occupational health and safety management system and does not yet have this data.
403-10	Work-related ill health	Schrödinger is in the process of evaluating its occupational health and safety management system and does not yet have this data.
Training and Education		
404-2	Programs for upgrading employee skills and transition assistance programs	Schrödinger 2022 Corporate Sustainability Report, Company Culture and Employee Engagement, Page 19
404-3	Percentage of employees receiving regular performance and career development reviews	Schrödinger 2022 Corporate Sustainability Report, Company Culture and Employee Engagement (Reviewing Performance), Page 22
Diversity and Equal Opportunity		
405-1	Diversity of governance bodies and employees	Schrödinger 2022 Corporate Sustainability Report, ESG Governance, Page 12; Diversity, Equity, and Inclusion, Pages 27-28 Schrödinger 2023 Proxy Statement, Page 22

Disclosure	GRI Standards Disclosure Title	2022 Location/Response
Supplier Social Assessment		
414-1	New suppliers that were screened using social criteria	Schrödinger is currently working on a Supplier Code of Conduct.
Public Policy		
415-1	Political contributions	In 2022, Schrödinger did not engage in political contributions.
Marketing and Labeling		
417-3	Incidents of non-compliance concerning marketing communications	In 2022, Schrödinger recorded no incidents of non-compliance concerning marketing communications.
Customer Privacy		
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	In 2022, Schrödinger recorded no substantiated complaints concerning breaches of customer privacy or losses of customer data.

SASB - Biotech

Topic	Accounting Metric	Category	Code	Location/Response
Safety of Clinical Trial Participants	Discussion, by world region, of management process for ensuring quality and patient safety during clinical trials	Dicussion and Analysis	HC-BP-210a.1	All trial activity in the United States is conducted according to the ethical principles of the Declaration of Helsinki and ICH GCP.
Safety of Clinical Trial Participants	Number of FDA Sponsor Inspections related to clinical trial management and pharmacovigilance that resulted in: (1) Voluntary Action Indicated (VAI) and (2) Official Action Indicated (OAI)	Quantitative	HC-BP-210a.2	In 2022, Schrödinger recorded zero FDA Sponsor Inspections related to clinical trial management and pharmacovigilance that resulted in Voluntary Action Indicated (VAI) or Official Action Indicated (OAI).
Safety of Clinical Trial Participants	Total amount of monetary losses as a result of legal proceedings associated with clinical trials in developing countries	Quantitative	HC-BP-210a.3	In 2022, Schrödinger recorded no monetary losses as a result of legal proceedings associated with clinical trials in developing countries.
Access to Medicines	Description of actions and initiatives to promote access to health care products for priority diseases and in priority countries as defined by the Access to Medicines Index	Dicussion and Analysis	HC-BP-240a.1	Partially Reported: Schrödinger 2022 Corporate Sustainability Report, Drug Discovery and Life Science Collaborations, Page 16
Access to Medicines	List of products on the WHO List of Prequalified Medicinal Products as part of its Prequalification of Medicines Programme (PQP)	Dicussion and Analysis	HC-BP-240a.2	Not applicable
Affordability & Pricing	Number of settlements of Abbreviated New Drug Application (ANDA) litigation that involved payments and/or provisions to delay bringing an authorized generic product to market for a defined time period	Quantitative	HC-BP-240b.1	Not applicable
Affordability & Pricing	Percentage change in: (1) average list price and (2) average net price across U.S. product portfolio compared to previous year	Quantitative	HC-BP-240b.2	Not applicable
Affordability & Pricing	Percentage change in: (1) list price and (2) net price of product with largest increase compared to previous year	Quantitative	HC-BP-240b.3	Not applicable

Topic	Accounting Metric	Category	Code	Location/Response
Drug Safety	List of products listed in the Food and Drug Administration's (FDA) MedWatch Safety Alerts for Human Medical Products database	Dicussion and Analysis	HC-BP-250a.1	Not applicable
Drug Safety	Number of fatalities associated with products as reported in the FDA Adverse Event Reporting System	Quantitative	HC-BP-250a.2	Not applicable
Drug Safety	Number of recalls issued, total units recalled	Quantitative	HC-BP-250a.3	Not applicable
Drug Safety	Total amount of product accepted for takeback, reuse, or disposal	Quantitative	HC-BP-250a.4	Not applicable
Drug Safety	Number of FDA enforcement actions taken in response to violations of current Good Manufacturing Practices (cGMP), by type	Quantitative	HC-BP-250a.5	Not applicable
Counterfeit Drugs	Description of methods and technologies used to maintain traceability of products throughout the supply chain and prevent counterfeiting	Dicussion and Analysis	HC-BP-260a.1	Not applicable
Counterfeit Drugs	Discussion of process for alerting customers and business partners of potential or known risks associated with counterfeit products	Dicussion and Analysis	HC-BP-260a.2	Not applicable
Counterfeit Drugs	Number of actions that led to raids, seizure, arrests, and/or filing of criminal charges related to counterfeit products	Quantitative	HC-BP-260a.3	Not applicable
Ethical Marketing	Total amount of monetary losses as a result of legal proceedings associated with false marketing claims	Quantitative	HC-BP-270a.1	Not applicable
Ethical Marketing	Description of code of ethics governing promotion of off-label use of products	Dicussion and Analysis	HC-BP-270a.2	Not applicable
Employee Recruitment, Development & Retention	Discussion of talent recruitment and retention efforts for scientists and research and development personnel	Dicussion and Analysis	HC-BP-330a.1	Schrödinger 2022 Corporate Sustainability Report, Company Culture and Employee Engagement, Page 19
Employee Recruitment, Development & Retention	(1) Voluntary and (2) involuntary turnover rate for: (a) executives/senior managers, (b) midlevel managers, (c) professionals, and (d) all others	Quantitative	HC-BP-330a.2	Schrödinger 2022 Corporate Sustainability Report, Diversity, Equity, and Inclusion, Pages 27-28
Supply Chain Management	Percentage of (1) entity's facilities and (2) Tier I suppliers' facilities participating in the Rx-360 International Pharmaceutical Supply Chain Consortium audit program or equivalent third party audit programs for integrity of supply chain and ingredients	Quantitative	HC-BP-430a.1	Not applicable
Business Ethics	Total amount of monetary losses as a result of legal proceedings associated with corruption and bribery	Quantitative	HC-BP-510a.1	In 2022, Schrödinger recorded no monetary losses as a result of legal proceedings associated with corruption or bribery. There were no confirmed incidents of corruption.
Business Ethics	Description of code of ethics governing interactions with health care professionals	Discussion and Analysis	HC-BP-510a.2	Not applicable

Activity Metric	Category	Code	Location/Response
Number of patients treated	Quantitative	HC-BP-000.A	Not applicable
Number of drugs (1) in portfolio and (2) in research and development (Phases 1-3)	Quantitative	HC-BP-000.B	Schrödinger Pipeline Website

SASB - IT and Software

Topic	Accounting Metric	Category	Code	Location/Response
Environmental Footprint of Hardware Infrastructure	Total energy consumed, percentage grid electricity, percentage renewable	Quantitative	TC-SI-130a.1	Schrödinger is in the process of evaluating its operational environmental footprint and does not yet have this data, but plans to report on it in the future.
Environmental Footprint of Hardware Infrastructure	Total water withdrawn, total water consumed, percentage of each in regions with High or Extremely High Baseline Water Stress	Quantitative	TC-SI-130a.2	Schrödinger is in the process of evaluating its operational environmental footprint and does not yet have this data, but plans to report on it in the future.
Environmental Footprint of Hardware Infrastructure	Discussion of the integration of environmental considerations into strategic planning for data center needs	Discussion and Analysis	TC-SI-130a.3	Schrödinger 2022 Corporate Sustainability Report, Operational Environmental Footprint, Page 39
Data Privacy & Freedom of Expression	Description of policies and practices relating to behavioral advertising and user privacy	Discussion and Analysis	TC-SI-220a.1	Not applicable
Data Privacy & Freedom of Expression	Number of users whose information is used for secondary purposes	Quantitative	TC-SI-220a.2	0
Data Privacy & Freedom of Expression	Total amount of monetary losses as a result of legal proceedings associated with user privacy	Quantitative	TC-SI-220a.3	0
Data Privacy & Freedom of Expression	Number of law enforcement requests for user information, number of users whose information was requested, percentage resulting in disclosure	Quantitative	TC-SI-220a.4	0
Data Privacy & Freedom of Expression	List of countries where core products or services are subject to government-required monitoring, blocking, content filtering, or censoring	Discussion and Analysis	TC-SI-220a.5	Not applicable
Data Security	Number of data breaches, percentage involving personally identifiable information, number of users affected	Quantitative	TC-SI-230a.1	0
Data Security	Description of approach to identifying and addressing data security risks, including use of third-party cybersecurity standards	Discussion and Analysis	TC-SI-230a.2	Schrödinger 2022 Corporate Sustainability Report, Cybersecurity and Data Privacy, Page 46
Recruiting & Managing a Global, Diverse & Skilled Workforce	Percentage of gender and racial/ethnic group representation for (1) management, (2) technical staff, and (3) all other employees	Quantitative	TC-SI-330a.3	Schrödinger 2022 Corporate Sustainability Report, Diversity, Equity, and Inclusion, Pages 27-28
Intellectual Property Protection & Competitive Behavior	Total amount of monetary losses as a result of legal proceedings associated with anti-competitive behavior regulations	Quantitative	TC-SI-520a.1	In 2022, there were no monetary losses as a result of legal proceedings associated with anti-competitive behavior regulations.
Managing Systemic Risks from Technology Disruptions	Number of (1) performance issues and (2) service disruptions; (3) total customer downtime	Quantitative	TC-SI-550a.1	Schrödinger did not record any instances of performance issues, service disruptions, or customer downtime.

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