Schrödinger

2023

Corporate Sustainability Report

VALUE²

our company x the world

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, VALUE², and memorialized in our second annual Corporate Sustainability Report. Staying true to Shared Value, we present the key topics in this publication through the dual lens of their impact on and beyond Schrödinger.

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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 ourselves and our stakeholders through that process. For more information, see Page 16.

Message from Our CEO

At Schrödinger, we are guided by our mission to improve human health and quality of life by transforming the way therapeutics and materials are discovered. It is important that we apply our technology in ways that positively impact our stakeholders, society, and the planet we share. We are resolute in our commitment to governing and operating our company in alignment with the concept of Shared Value. This principle is central to our Corporate Sustainability strategy, which we call VALUE^2:

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.

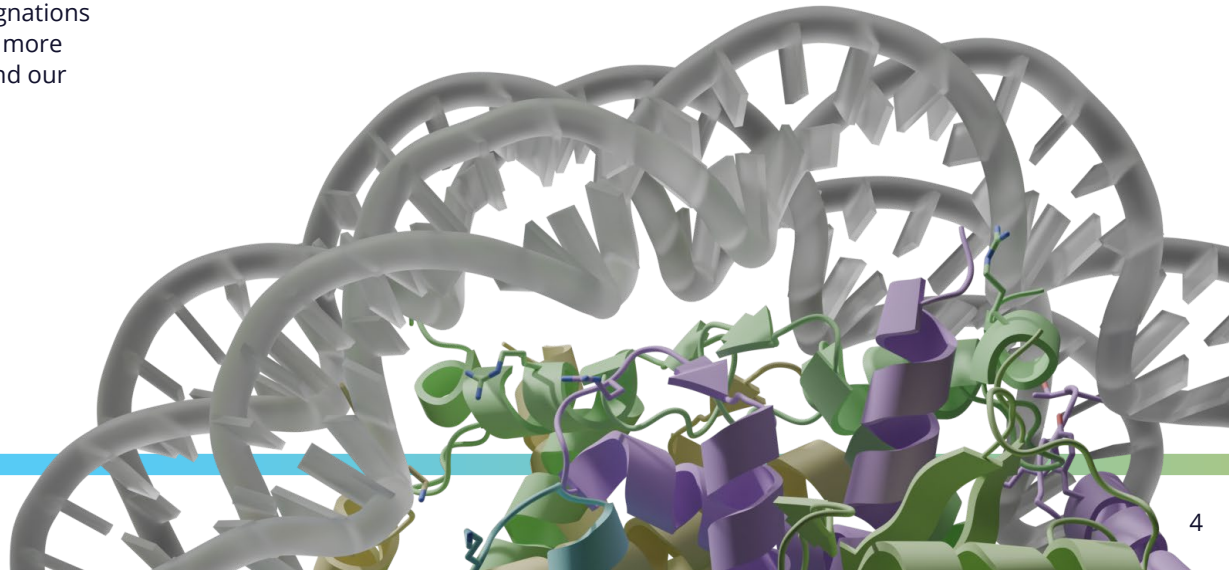
In our second annual Corporate Sustainability Report, I'm pleased to share the substantial progress we have made over the past year in building out and executing on our sustainability strategy. Throughout 2023, we advanced every aspect of our performance on environmental, social, and governance (ESG) parameters by developing a road map for our efforts that includes setting goals for each of our ESG material topics.

While still relatively early in **our environmental sustainability journey**, we made significant investments in better understanding and tracking our environmental impacts, including our carbon footprint. With this information in hand, we've signaled our intent to establish science-based greenhouse gas (GHG) emissions reduction targets in alignment with the Science Based Targets initiative. We also expanded our portfolio of greener workspaces, receiving LEED® Gold designations for three of our offices in the United States and anticipate achieving three more LEED® designations for our first wet lab in Framingham, Massachusetts, and our offices in Seoul and Tokyo.

We remain **steadfast in our commitment to diversity, equity, and inclusion** (DEI), and I meet regularly with our DEI team to listen and learn about how we can continue to expand on our DEI initiatives. In 2023, we introduced new focus areas to strengthen the work of our employee resource groups aiming to increase engagement, accountability, and growth opportunities. We also introduced new health and well-being benefits for our employees.

We made notable achievements in our efforts to **support students of all ages and lift the communities where we work and live.**

- Schrödinger and two City University of New York (CUNY) institutions were co-awarded a $1 million National Science Foundation grant to increase access for underrepresented students to industry-leading technology and paid internships to prepare them for careers in drug discovery.
- We hosted a symposium, "Catalyzing Gender Equity at Schrödinger: Early Careers in Computational Sciences," aimed at women and nonbinary scientists and Ph.D.s.
- We launched our first Global Social Impact Policy and released a new social impact platform for employees, consolidating all matching gifts and volunteering activities globally. ▶



We also strengthened our dedication to transparency, integrity, and sound corporate governance by creating and updating key policies, such as our Supplier Code of Conduct, in response to emerging needs, new regulations, and identified gaps.

Schrödinger also took major steps forward in **progressing the development of our pipeline of proprietary drug discovery programs**, including initiating a Phase 1 clinical trial of the company's second clinical-stage program, SGR-2921, in patients with relapsed or refractory acute myeloid leukemia or high-risk myelodysplastic syndromes.

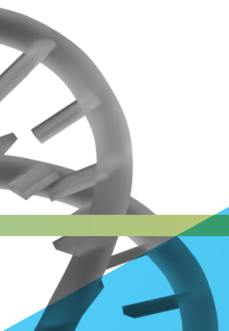
The determination of our employees to help make this world a better place drives achievements like those you will find in this report. As our journey continues, we are committed to providing employees with an atmosphere of engagement and belonging, and opportunities for growth.

I'm confident Schrödinger has the foundation and fundamentals in place to continue to deliver on our mission and make a meaningful impact on the world. I am excited about what lies ahead. Thank you for your interest in our work.

Sincerely,

Ramy

Ramy Farid, Ph.D.
President and CEO



About Schrödinger

Built upon more than 30 years of research and development (R&D), Schrödinger's computational platform, powered by physics, is transforming the way therapeutics and materials are discovered to make innovations of the future achievable, today.

We work with biopharmaceutical and industrial companies, academic institutions, government laboratories, and philanthropic global health organizations. Our platform enables the discovery of high-quality, novel molecules for drug development and materials applications more rapidly, and at a lower cost, compared to traditional methods. Our own therapeutics team deploys our platform internally to advance a portfolio of collaborative and proprietary programs to address unmet medical needs. We are also helping customers working in materials science to discover the next generation of better, stronger, lighter high-performance materials.

Schrödinger at a Glance

30+
years of innovation in computational chemistry research

876
full- and part-time employees globally*

43%
with Ph.D. degrees

60%
focused on research and development

$216.7M
2023 total revenue

SDGR
Nasdaq stock exchange ticker symbol

~1,785
customers worldwide†

*As of Dec. 31, 2023.
†Active Customers (number of customers who had an Annual Contract Value (ACV) >$1,000) as of Dec. 31, 2023.
(For more financial information, please see our Schrödinger 2023 Annual Report on Form 10-K)

Our Organization

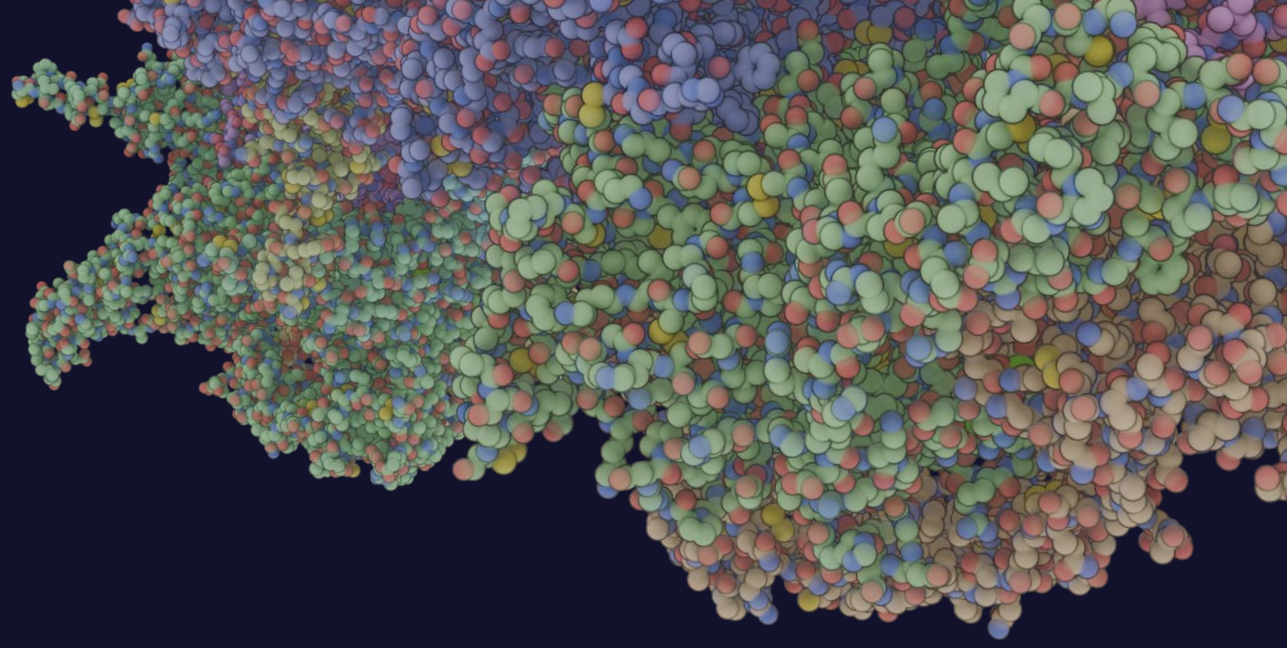
Global Headquarters
New York, New York

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

Europe
Mannheim, Germany
München, Germany

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

A History of Scientific Innovation and Platform Advancement



1990

Schrödinger Founded

1995

Quantum Mechanics
Enabled accurate calculation of small molecule solution structures

2000

Molecular Mechanics
Enabled fast calculation of small molecule solution structures

Protein Refinement
Enabled accurate prediction of local protein strucure

2005

Docking
A breakthrough in virtual screening for Hit Identification

Molecular Dynamics
Enabled platform to simulate molecular motion

2010

Comprehensive Force Field
Enabled accurate description of atomic interactions

2015

Free Energy Calculations
Broadly applicable and accurate calculation of potency, selectivity, and solubility

2020

Active Learning
Enabled accurate large-scale property calculations

Next Gen Protein Refinement
Enablement of proteins without experimental structures

Schrödinger's Proprietary Platform Fuels Discovery

Drug discovery and development efforts can be complex, lengthy, capital-intensive, and prone to high failure rates. Traditional drug discovery relied upon many iterations of costly and time-consuming manual molecule design, chemical synthesis, and experimental testing. The failure rate in traditional drug discovery was also high because 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 can predict 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 may have a higher probability of success in clinical development.

Platform Validated by Advancing Collaboration Programs[1,2]

8 programs in the clinic (+ 5 in IND-enabling studies)

PHASE 1

nimbus THERAPEUTICS	Immuno-oncology
STRUCTURE THERAPEUTICS	Pulmonary Arterial Hypertension
Lilly	Oncology**
Genentech	Oncology
Undisclosed	Undisclosed

PHASE 2

GILEAD	Metabolic Diseases***
MORPHIC	Inflammatory Bowel Disease

PHASE 3

Takeda	Psoriasis***

FDA-APPROVED

agios	*TIBSOVO** *IDHIFA**

ADDITIONAL PROGRAMS

in discovery and preclinical development with:

Bristol Myers Squibb™ · Lilly · Takeda · MORPHIC · STRUCTURE THERAPEUTICS · Ajax THERAPEUTICS · Otsuka

1) Based on publicly available information or information disclosed to us. 2) All of the programs being pursued under these collaborations are owned and controlled by each respective collaborator.
*Acquired by Servier **Acquired from Petra Pharma ***Acquired from Nimbus

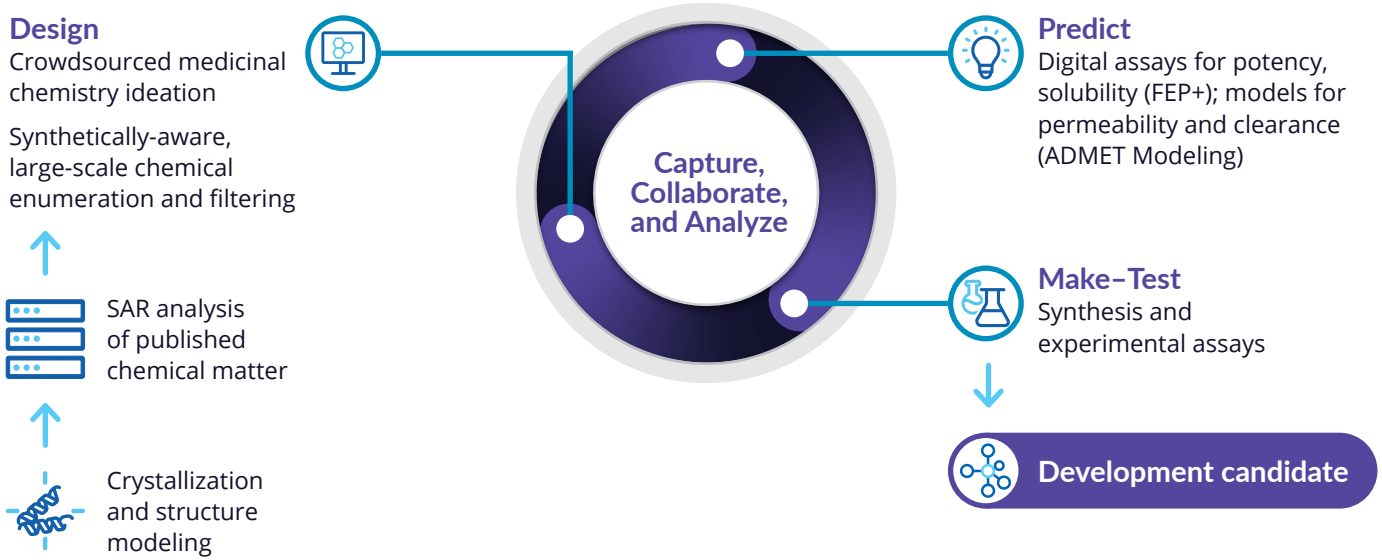
Spotlight on discovery of SGR-1505, our MALT1 inhibitor

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.

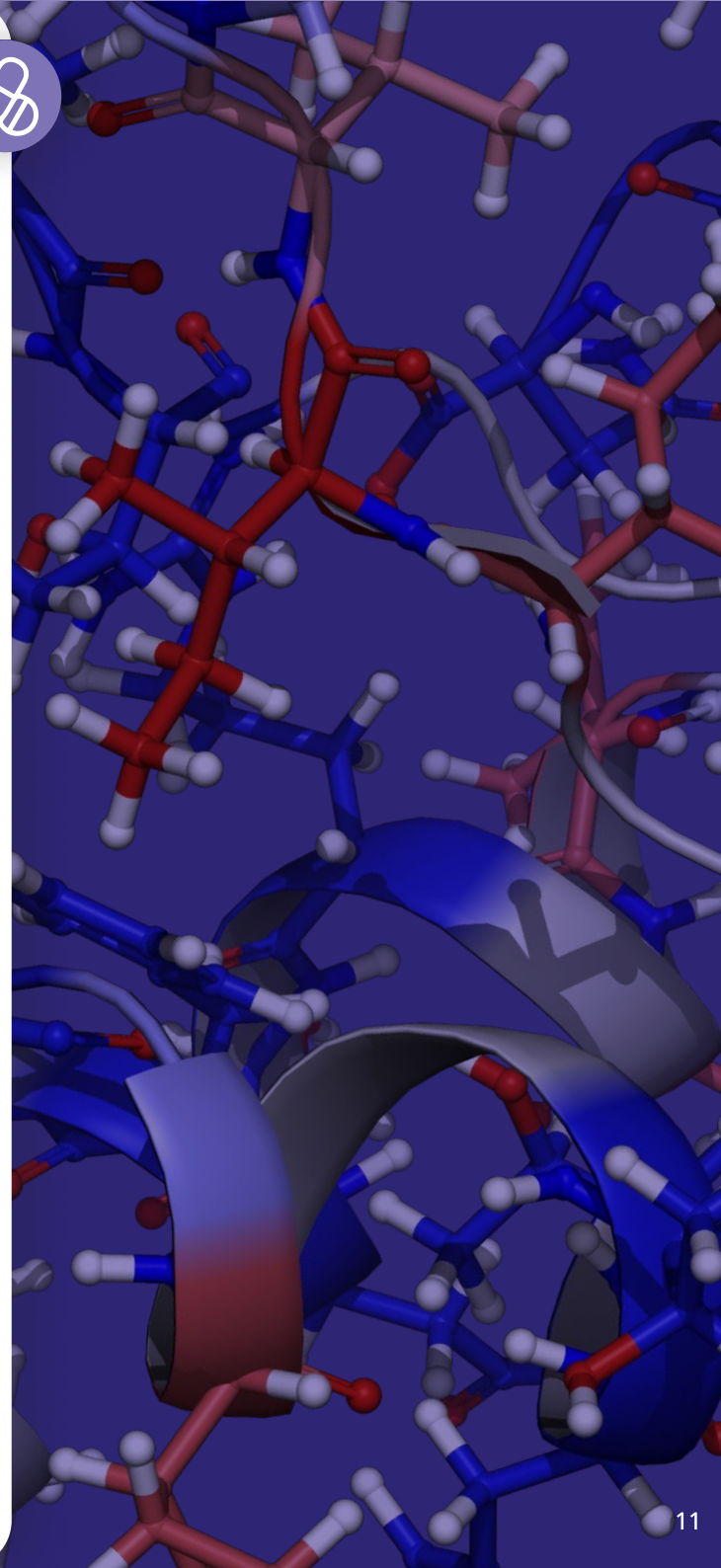
Designing high-quality molecules *in silico* — with the speed and accuracy to explore billions of molecules — is the guiding ethos of our digital chemistry strategy. In our MALT1 program, we evaluated over 8 billion compounds, scored approximately 12,000 compounds using advanced multiparameter optimization methods, and synthesized just 78 molecules to identify molecules suitable for development candidate nomination within 10 months of program initiation.

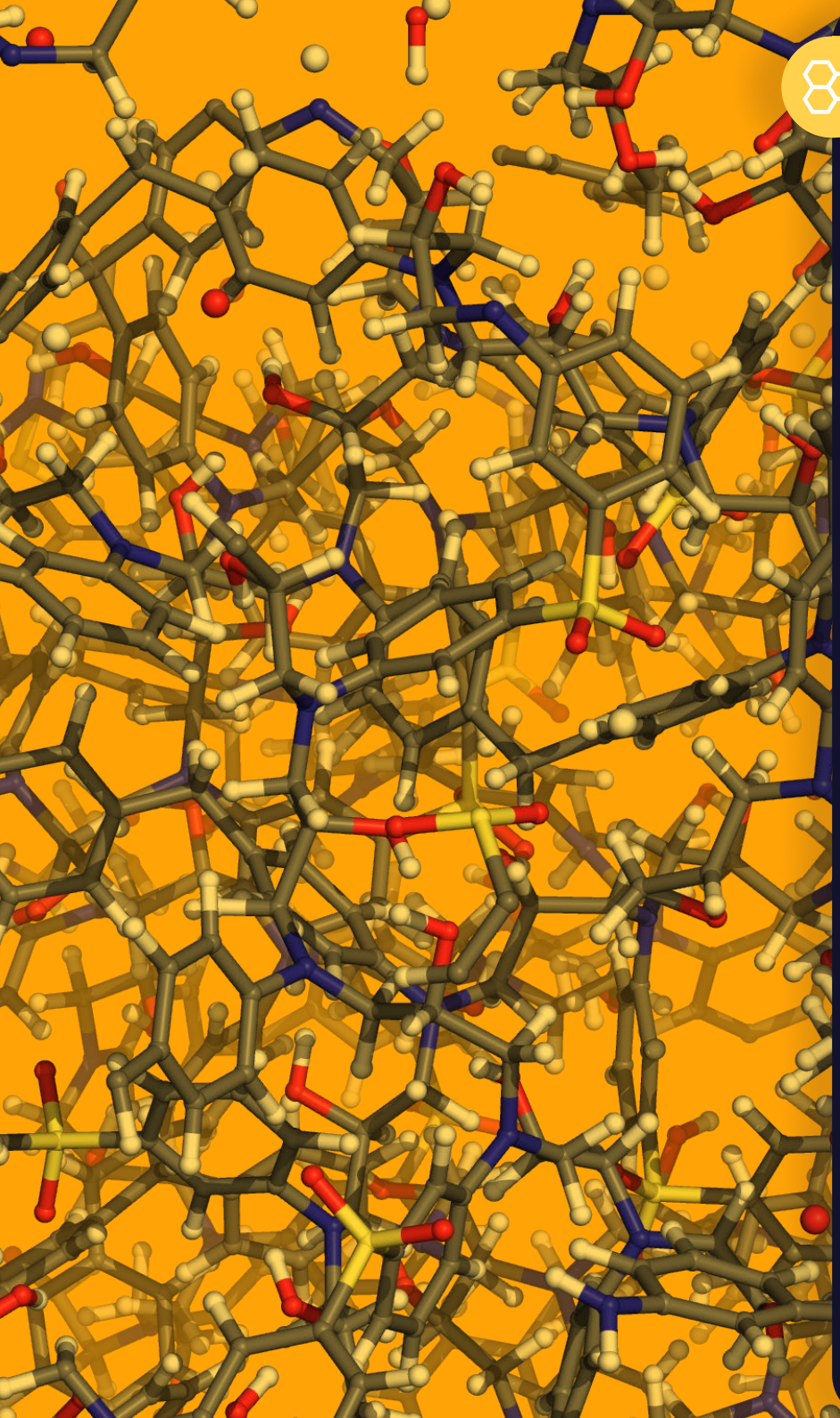
MALT1 inhibition has a potential role in B-cell malignancies and immunology. We have completed a Phase 1 clinical trial of SGR-1505 in healthy volunteers, and a Phase 1 clinical trial in patients with relapsed or refractory B-cell malignancies is ongoing. Emerging resistance to approved B-cell malignancy treatments creates opportunity for novel mechanisms with combination potential.

8.2 billion compounds computationally evaluated	**78** total compounds synthesized in lead series	**10 months** 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, shorter charging times, and improved fire safety of lithium-ion batteries

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

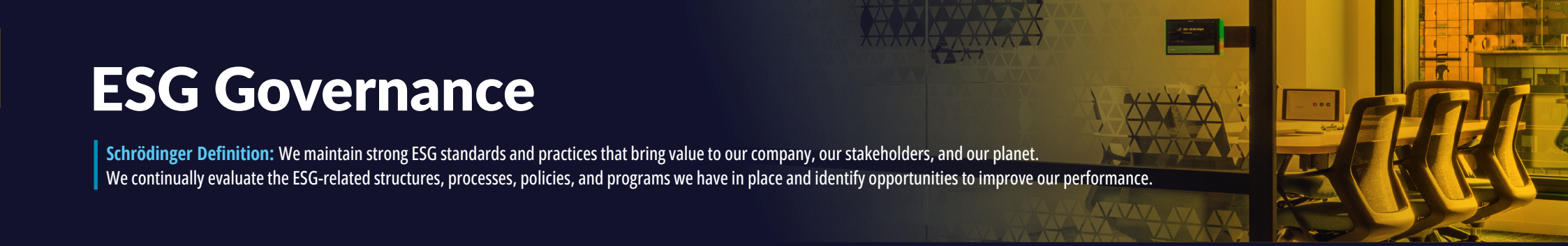
Optoelectronic materials
to reduce power consumption and dependence on heavy metals for television and phone displays

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

For several years, Schrödinger and Reckitt[1] have collaborated to apply molecular simulation across a broad range of materials science applications, including detergents, drug formulations, and packaging materials. Projects were executed to improve packaging materials to meet new sustainability standards. The use of simulation enabled the scientists to efficiently filter out incompatible candidate materials on very short research timelines. Across several projects, Reckitt scientists credit Schrödinger materials science capabilities with accelerating internal R&D timelines by tenfold.

1) https://extrapolations.com/driving-sustainability-at-reckitt-through-the-adoption-of-molecular-simulations/

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

VALUE²

value for the world

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

Corporate Sustainability at Schrödinger

At Schrödinger, we use the term Corporate Sustainability to describe how we embed wide-ranging ESG principles into the way that we operate, serve, and engage. We continue to make significant progress in our Corporate Sustainability journey, both internally at the highest levels of the company and with leaders, decision-makers, and influencers throughout our enterprise, and externally with input from critical stakeholders.

Engaged Board of Directors

Schrödinger's Board of Directors is fully engaged in the company's Corporate Sustainability matters. The company's Corporate Governance Guidelines, which serve as a framework for the conduct of the Board, include reviewing the company's environmental, social, and governance (ESG) policies and practices, among other Board responsibilities. The Nominating and Corporate Governance Committee maintains formal oversight of ESG efforts.

"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."

Schrödinger's Head of Corporate Sustainability, who also chairs the company's Corporate Sustainability Steering Committee (CS-SC), keeps the Nominating and Corporate Governance Committee and the Board apprised of the company's ESG plans and performance through regular updates.

In 2023, 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 and Board skills
- Board committee composition
- Board structure
- Board member time commitments
- Ongoing development and implementation of our ESG strategy
- Global social impact strategy
- Ongoing training and support for DEI efforts
- Environmental, health, and safety efforts
- Shareholder engagement
- Governance best practices
- Compliance with recently finalized and upcoming governance rules and regulations

Corporate Sustainability Aspirations

To continue advancing Corporate Sustainability at Schrödinger, we work closely with members of our Corporate Sustainability Steering Committee and others to further develop our Corporate Sustainability aspirations, aligned to our ESG material topics.

These aspirations serve as a road map for the continued progress and evolution of Corporate Sustainability at Schrödinger.

Board Members

Michael Lynton Chairman of the Board	**Jeffrey A. Chodakewitz, M.D.**	**Ramy Farid, Ph.D.** President and CEO	**Richard A. Friesner, Ph.D.** Co-founder and Scientific Advisory Chairman	**Gary Ginsberg**
Rosana Kapeller-Libermann, M.D., Ph.D.	**Arun Oberoi**	**Gary Sender**	**Nancy A. Thornberry**	

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

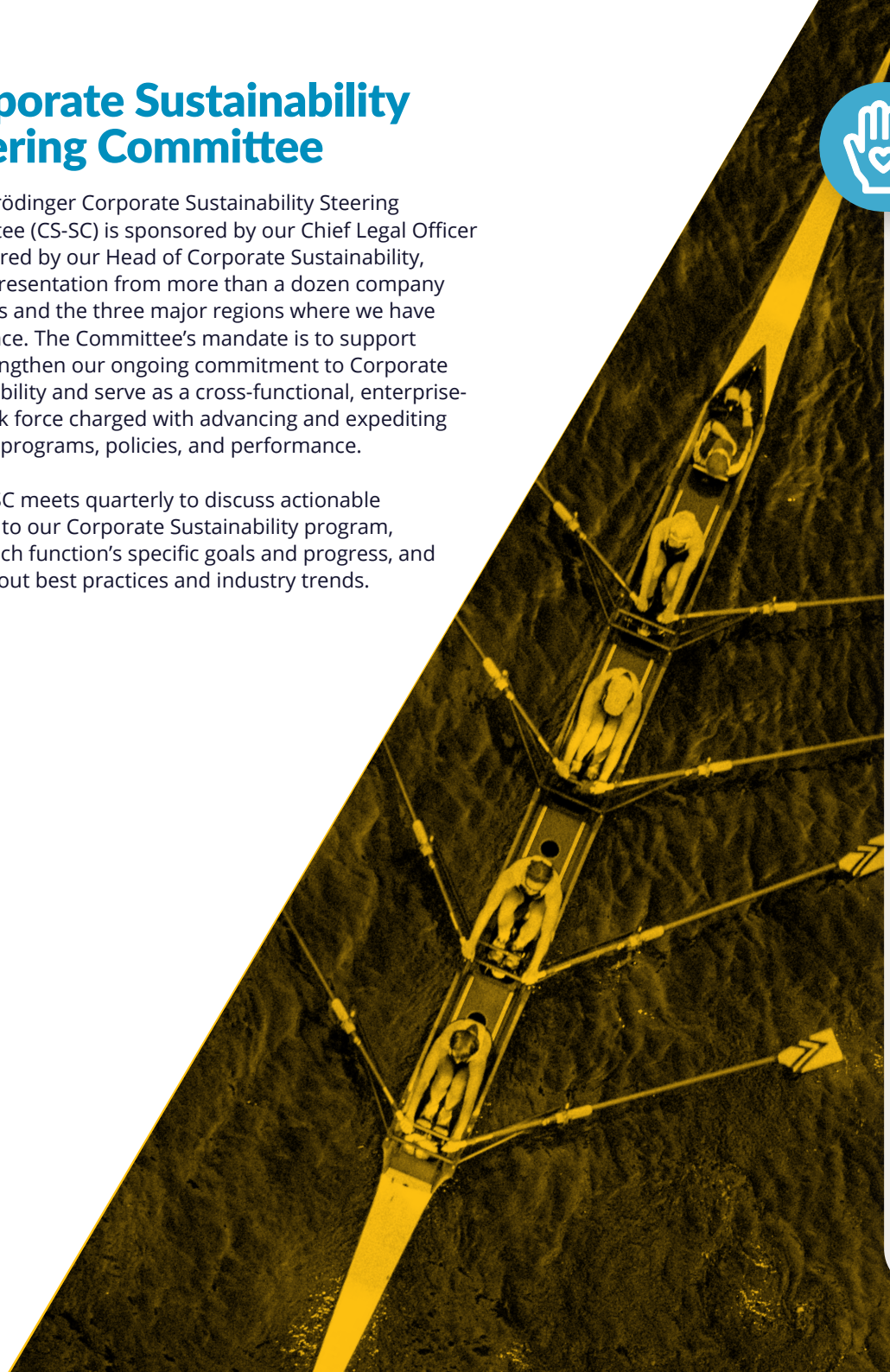
Corporate Governance Documents and Board Committee Charters
- Corporate Governance Guidelines
- Global Code of Business Conduct and Ethics
- Audit Committee Charter
- Compensation Committee Charter
- Nominating and Corporate Governance Committee Charter
- Drug Discovery Committee Charter

Bylaws
Schrödinger 2024 Proxy Statement
Schrödinger 2023 Annual Report on Form 10-K

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, with representation from more than a dozen company functions and the three major regions where we have a presence. The Committee's mandate is to support and strengthen our 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 meets quarterly to discuss actionable updates to our Corporate Sustainability program, share each function's specific goals and progress, and learn about best practices and industry trends.



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, we 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 CEO, other company leaders, and subject matter experts and were ultimately endorsed by our 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 expect to periodically update our ESG materiality assessment to accurately reflect the most important ESG material topics for our company and stakeholders.

Schrödinger ESG Material Topics and Their Boundaries

Topic (alphabetical 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 drug discovery efforts, drives research collaborations to develop novel medicines for critical health needs, and helps our customers, collaborators, and our company accelerate 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 New Medicine Discovery and Collaborations

VALUE²

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

Enriching Human Health With Our Platform and Partnerships

Schrödinger has long prioritized new applications for our platform to positively impact people's lives around the world. The process of drug discovery has traditionally been laborious and expensive, but our platform enables us and our partners to test more compounds on a computer, increasing the speed and efficiency of drug discovery, and ultimately enabling the exploration of more therapeutic hypotheses. That means we can ask more questions and identify potentially promising solutions more quickly, including treatments with fewer drug-related side effects.

We are applying our computational platform to advance a broad pipeline of drug discovery programs in collaboration with leading biopharmaceutical companies. ▶

We are also using our platform to discover novel molecules for our pipeline of proprietary drug discovery programs spanning a wide range of targets and therapeutic areas, with the potential to also address smaller indications and rare diseases. For example, two of our cancer programs have initiated clinical trials in patients with relapsed refractory hematological malignancies. For patients suffering from such conditions, often accompanied by poor outcomes, the aim of these cancer programs is to discover medicines that are effective and well tolerated. By licensing our platform, collaborating with other companies, and developing our own drug candidates, we are maximizing our positive impact on human health. We believe that bringing better drugs to market faster can help more people live longer and better lives.

You can learn more about our efforts in the About Schrödinger section of this report and in the Schrödinger 2023 Annual Report on Form 10-K.

nimbus THERAPEUTICS & Schrödinger

Striving to Make Better and Safer Treatments

Nimbus Therapeutics and Schrödinger codiscovered TAK-279 (formerly known as NDI-034858), an oral tyrosine kinase 2 (TYK2) inhibitor, currently in Phase 3 for the treatment of psoriasis and Phase 2 for the treatment of psoriatic arthritis. The development of TAK-279, and eventual acquisition by Takeda for $4 billion, highlights the ability of Schrödinger's physics-based software to identify and create best-in-class drugs, with potentially fewer side effects.

Global Health Collaborations

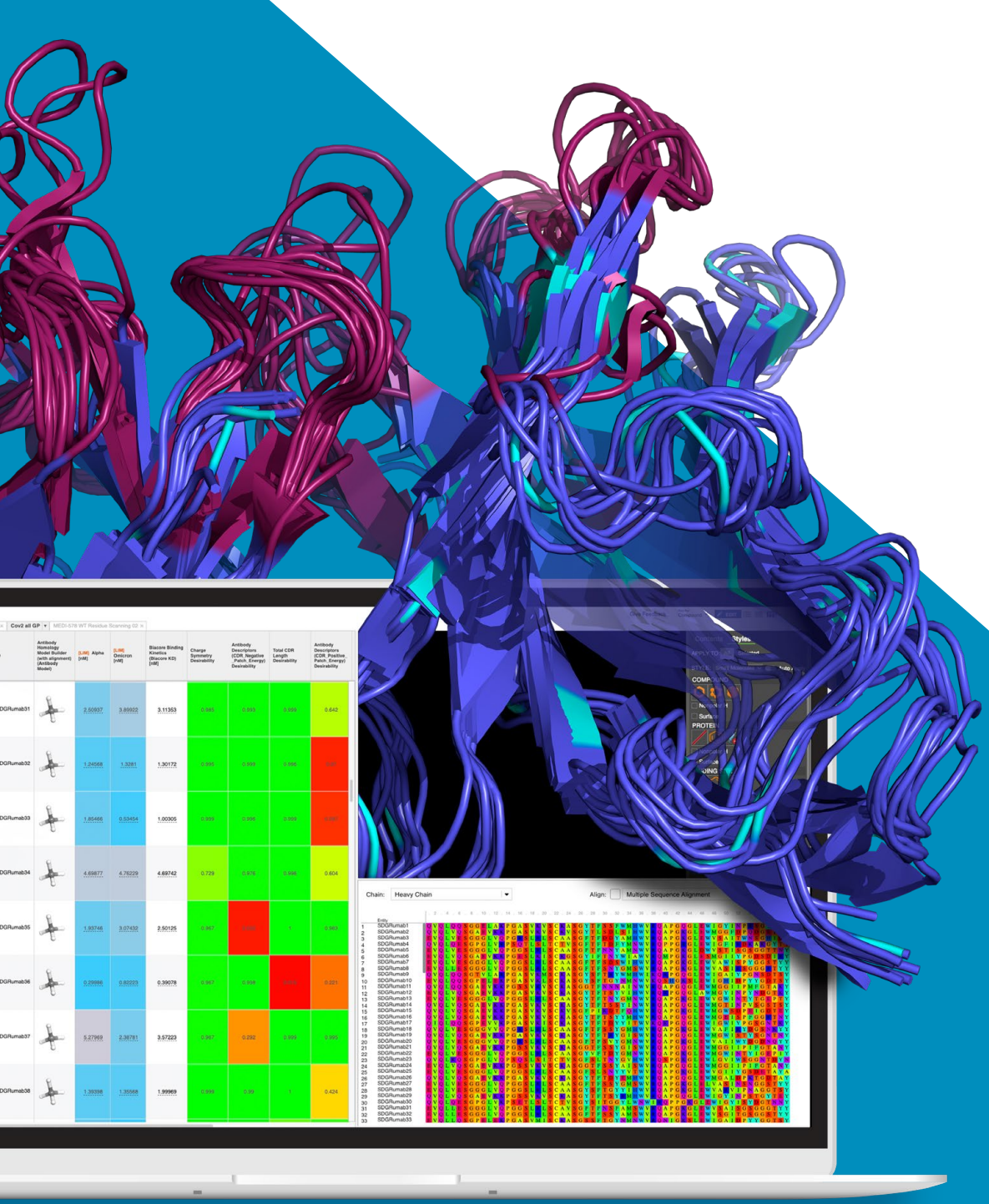
Schrödinger's contributions to philanthropic global health initiatives help advance scientific progress in combating a variety of rare, neglected, and infectious diseases, and other health issues that have enormous societal impact. Our technology allows us to bring together industry, government, and nonprofits to address these challenges around the world.

Nonhormonal Contraceptives

Today's contraceptive methods do not always meet the needs or cultural considerations of all women and girls. 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 the contraceptive options on the market today act on hormone levels, and this can cause unwanted side effects.

Schrödinger received a two-year, $4.9 million research grant from the Bill & Melinda Gates Foundation in 2021 to support early-stage drug discovery of nonhormonal contraceptives. In 2023, the grant was renewed with an additional $3.5 million, enabling us to continue this small molecule, nonhormonal contraceptive program. We are pleased to have this foundational opportunity to contribute to such a crucial health initiative.

In October 2023, Schrödinger scientists presented research from the contraceptive program at the Grand Challenges Annual Meeting in Senegal, organized by the Gates Foundation. The meeting brings together funding and research partners fostering innovation to solve key global health and development problems. We continue to collaborate across organizations within the Gates Foundation ecosystem to advance the discovery, development, and testing of potential nonhormonal 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 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.

Using our computational platform, researchers discovered highly potent and selective small molecule Dihydroorotate dehydrogenase (DHODH) inhibitors with excellent drug-like properties. These compounds are predicted to yield a better therapeutic index, resulting in safer treatment with fewer side effects, compared to the standard of care. Additionally, the long human half-life of such compounds has the potential for a less frequent dosing regimen.

LiveDesign: Enabling Global Collaboration

To advance successful collaboration across global health initiatives, we make our 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.

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 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 Empowered Team

Regardless of title or tenure, every Schrödinger employee is expected and encouraged to contribute positively to our mission and core principles. Whether someone is newly hired or has been with the company for decades, whether they are a scientist, accountant, developer, or administrator, and wherever they sit in the world, our principles apply to all of us. Our ongoing recognition as a great place to work is a result of that shared understanding. ▶

Our employees have their choice of many organizations where they can pursue their career aspirations. They choose our organization for its supportive, collaborative, innovative, and purpose-driven environment. We seek out the most talented people who are truly driven to make a difference in the world. We retain them with personal support, while also offering the professional and technical learning and development they need.

Building a Pipeline of Innovators

More than 43% of our employees hold a Ph.D., and more than half of the company's workforce is directly involved in research and development (R&D). Our approach to identifying and recruiting the right talent has been instrumental in supporting our strategic objectives. For more detailed information on employee demographics at Schrödinger, please see Page 28.

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 more consistent and successful 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.

We also maintain a strong presence at industry conferences to develop relationships with prospective hires. Further, we post open positions on industry-specific online job boards to ensure we are reaching relevant talent, regardless of geographic constraints.

Our Strategic Growth team utilizes a standardized interview model to reduce unconscious bias and create a consistent hiring process. 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 avoid the most common recruitment pitfalls, help hiring teams proactively challenge biased or discriminatory thinking, and ensure an equitable hiring process.

Earning Recognition for Being a Great Place to Work

Built In's 100 Best Places to Work 2023

USA
#3 Midsize
#5 Overall

San Diego
#1 Midsize
#2 Overall

New York
#2 Midsize
#3 Overall

Boston
#2 Midsize
#3 Overall

- https://builtin.com/awards/us/2023/best-places-to-work

100 Best Places to Work 2023

NYC
#67 Overall

NYC
#36 for Large Companies

- https://www.crainsnewyork.com/awards/best-places-work-2023

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.

Inspiring Our Talent: Development and Retention at Schrödinger

Schrödinger's computational platform and drug discovery and development efforts rely on people in high demand with specialized skill sets. We also sit at a cross-section of industries – software and biopharma – both known for fierce competition for talent. In the face of this, we are pleased to report that Schrödinger maintains high retention and low turnover rates. At the end of 2023, our employee retention rate was approximately 93%.

We believe we achieve these results due to our collaborative and innovative culture, learning and development opportunities, commitment to DEI (see Page 24), and care for our employees (see Page 30). We support a fluid and flexible work environment that allows employees to meet their needs while contributing to the company's success.

Conferences and Networking: Recruiting Through a DEI Lens

Schrödinger maintains an active presence at industry conferences to build name recognition and recruit diverse talent. In 2023, we reached more than 35,000 attendees through our participation at:

- The Society for Advancement of Chicanos/Hispanics and Native Americans in Science (SACNAS) National Diversity in STEM Conference
- The Grace Hopper Celebration of Women in Computing, the world's largest gathering of women and nonbinary technologists
- The National Organization for the Professional Advancement of Black Chemists and Chemical Engineers (NOBCChE) Annual Conference

Ongoing Learning and Development

To support 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 unique opportunities for 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 periodic 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, such as the Schrödinger therapeutics group Project Leadership Workshops, which include leadership development and coaching. 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 and locations 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 an online learning platform with more than 9,000 courses, including hard and soft skills on topics such as leadership and management, software development, programming, and more. To optimize the offered curriculum for employees, we have created curated Learning Paths partnered between Human Resources and the business.

Staying in Touch. Schrödinger has a variety of communication channels that allow employees to stay informed and connected. These include quarterly all-employee meetings, management meetings, and multiple chat groups for employees to receive updates and ask questions.

We also conduct an annual global engagement survey and share a summary of the results with the entire company. Then we 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 August 2023, employees rated the following areas as having a high impact on engagement:

- Career opportunities
- Confidence in managers and leaders
- Opportunities for learning and development
- Recognition for contributions and performance

"Schrödinger offers an inspiring environment, and the people are from such diverse backgrounds and varying levels of experience that there's something new to discover every day. I get to interface with many different disciplines. We're not confined to "boxes" based on our positions, and I think that's what makes Schrödinger so unique."

— Nikita Abraham, Ph.D., Structural Biologist

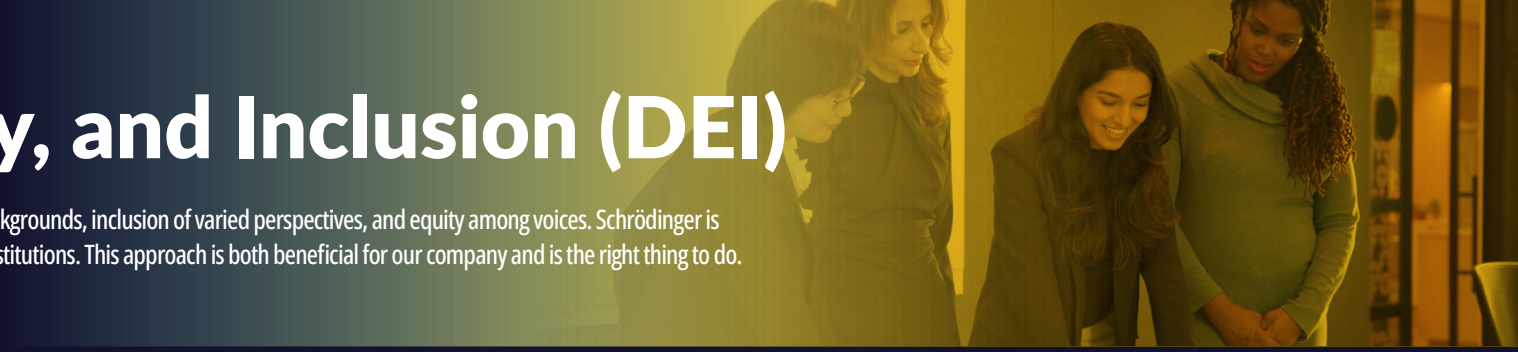
Reviewing Performance

Schrödinger's performance review process emphasizes employee engagement and fosters a high-achieving culture. We stress regular connections and real-time feedback between employees and their managers to help achieve performance goals and give employees the opportunity to solicit peer and leader feedback. In 2023, 42% of employees submitted nominations for peer feedback, and 100% received a year-end performance review.

42%
of employees submitted nominations for peer feedback

100%
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

VALUE²

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

Realizing New Possibilities Through DEI

Advancing DEI within Schrödinger and in our talent pipeline is a business imperative. Pushing the boundaries of what is possible in science requires a remarkably dedicated, creative, and collaborative team from a wide variety of backgrounds.

Our DEI philosophy is focused on ensuring that our employees feel safe, heard, comfortable, and valued. By embracing our people and their diverse 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.

> **"Because DEI is such a business imperative at Schrödinger, our team meets regularly with our CEO."**
>
> — Michelle Byington, Vice President, DEI and Strategic Growth

Our DEI Council: A Venue for All Voices

Our DEI Council, a select group of senior leaders, ERG representatives (see below section), and passionate employees, meets monthly to advise on the company's DEI strategy, priorities, and goals. The Council also regularly seeks feedback from employees to improve DEI programming and provides a permanent forum for voices to be heard across all levels of the organization.

Embedding DEI Through Employee Resource Groups (ERGs)

Schrödinger's ERGs provide support and sharing of resources while representing and communicating the interests of a particular ERG and its allies to the company. These groups provide a safe space for those who self-identify with certain groups and allies and serve as a vehicle for action throughout the company.

Membership in our six ERGs directly comprises approximately one-third of our employees and provides an environment for community support, professional development, and educational opportunities for our entire employee population. Our ERGs are also involved in recruiting diverse candidates and participating in industry conferences, extending their reach well beyond Schrödinger.

Building Psychological Safety at Schrödinger

Throughout 2023, the DEI Council hosted psychological safety roundtables for each of the Asia offices, highlighting the importance of creating a work environment where employees feel safe to take risks, share concerns, and offer alternative solutions without fear of retaliation or negative repercussions.

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, engaging in meaningful discussion, and pursuing the ways in which Schrödinger can be a more diverse, inclusive, and innovative space.

Schrödinger People of Color (SPoC): Seeks to create a community of people dedicated to increasing knowledge and sensitivity to race- and ethnicity-centered issues in the workplace and create safe spaces to highlight the voices of employees of color and their communities.

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, cultural, and emotional 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.

Starting Off on the Right Foot

Schrödinger has partnered with the NeuroLeadership Institute (NLI) to develop a 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 initiative began as a pilot program that engaged our entire leadership team, DEI Council, Human Resources team, leaders of our ERGs, and others and has since expanded globally.

The program now includes 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 understood 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 a Schrödinger employee who has already taken the course.

As of the end of 2023, approximately 380 Schrödinger employees have engaged with the DEI Starter Kit and associated advanced learning opportunities.

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. Striving for diversity in clinical trial participants is necessary for creating safe and effective drugs — for everyone.

Contributing to a More Transparent Clinical Research Process

As Schrödinger expands its proprietary drug development efforts, we are committed to improving access to information and expanding education on the drug development process. Our Policy on Clinical Trial Transparency and Subject Protection, to be published in 2024, outlines our commitment to publicly posting ongoing clinical trials, sharing trial results, and adhering to industry best practices and regulatory requirements.

All applicable clinical trials are registered on publicly accessible clinical trial registries, such as ClinicalTrials.gov for U.S.-based trials and the European Clinical Trials Database (EudraCT) in the European Union. In addition to sharing data directly with patients, we plan to publicly disclose results after each trial concludes, regardless of whether they were successful, inconclusive, or negative. We also publish results, as applicable, via submissions to reputable journals and publications.

Supporting Equity in STEM

In early 2023, Schrödinger hosted 20 college students on-site at our New York City headquarters for “Hacking the Gender Stack,” a two-day annual hackathon and networking event for women and nonbinary engineers. Following the event, Schrödinger extended internship offers to five attendees.

In May 2023, we continued our recruitment efforts with a symposium, "Catalyzing Gender Equity at Schrödinger: Early Careers in Computational Sciences," aimed at women and nonbinary scientists and Ph.D.s. The two-day event included an overview of current research and development projects at Schrödinger, an interactive molecular modeling workshop, an employee panel featuring some of our female scientists and software developers, and resume workshop sessions.

In addition to hosting events at our offices, we have a presence at innovative conferences throughout the year. More information is on Page 22.

Investing in Employee Mental Health

All Schrödinger employees have access to mental health resources through a leading provider, including therapy, guided coaching, and self-care strategies to navigate stress, anxiety, depression, and other mental health challenges.

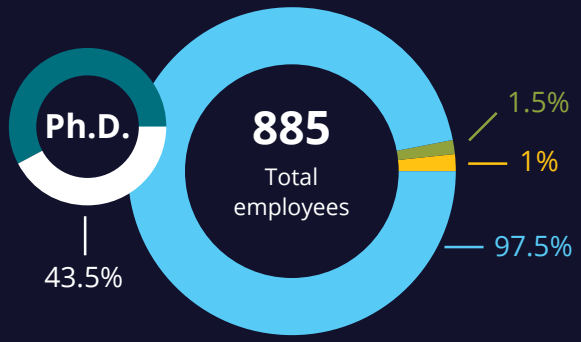
In 2023, we introduced a Noticing and Responding workshop in partnership with Lyra Health for people managers to learn to identify the signs of employees struggling with their mental health. The session introduced warning signs to look for, proactive strategies to monitor employee mental health, and tools to navigate conversations with direct reports.

As part of our overall commitment to employee mental health, Healthy Minds Alliance, Schrödinger’s mental health-focused ERG, works closely with its executive sponsor, our Chief Information Officer, to advance psychological safety, better ways of working, and mental health resources across all levels of the organization.

Workforce Metrics†

As of Dec. 31, 2023

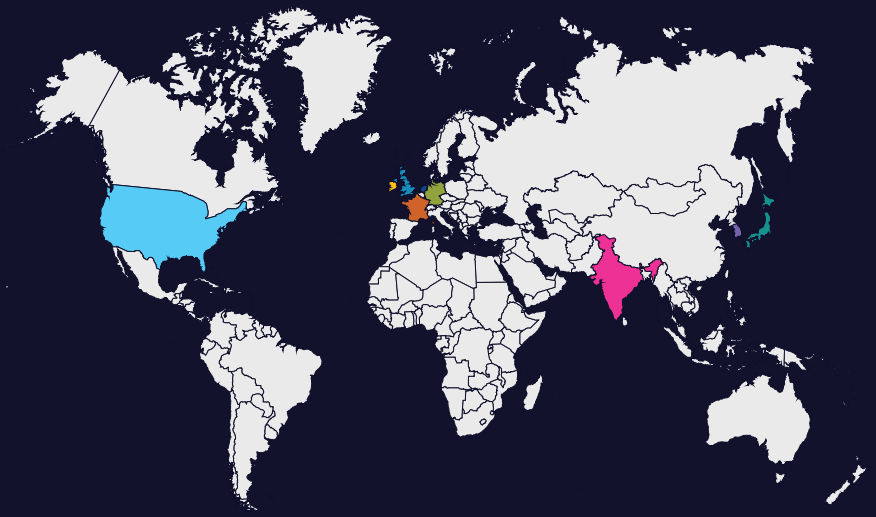
Global Workforce
Number of Employees



863	Full-time employees
385	Employees with a Ph.D.
13	Part-time employees
9	Fixed-term employees*

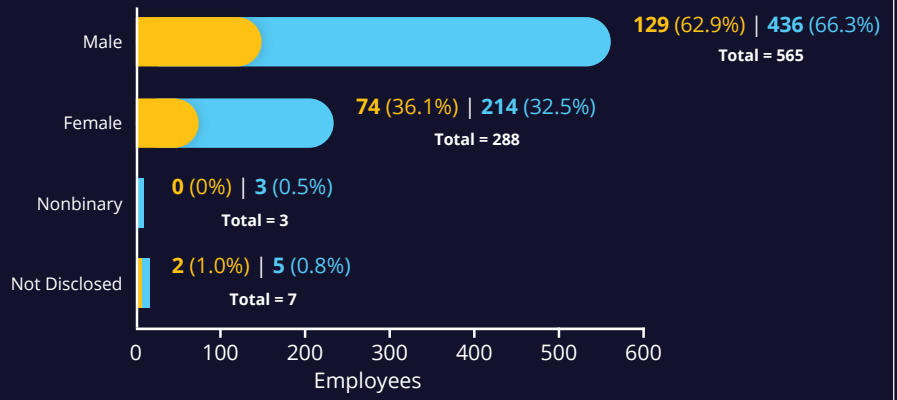
*An employee whose employment with Schrödinger is for a fixed period of time.

Global Full-time Workforce
by Region

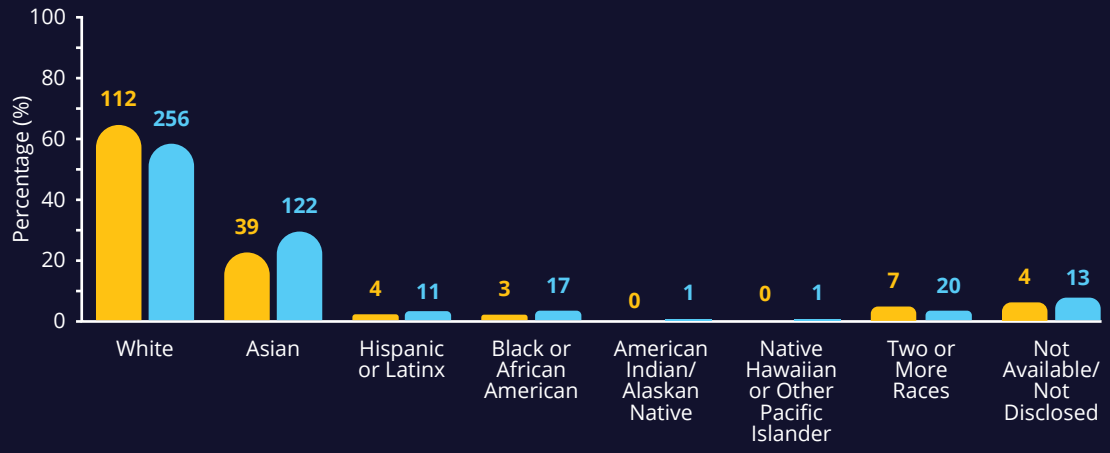


70.6% | 610	United States
18.2% | 157	India
4.5% | 39	Germany
2.8% | 24	Japan
1.9% | 16	United Kingdom
1.2% | 10	France
0.7% | 6	South Korea
0.1% | 1	Ireland

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



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



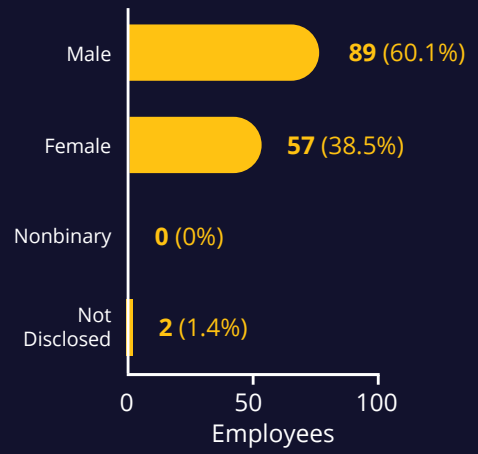
†Demographics and job categories defined under EEO-1 reporting guidelines

Workforce Metrics† (Continued)

As of Dec. 31, 2023

Global Workforce

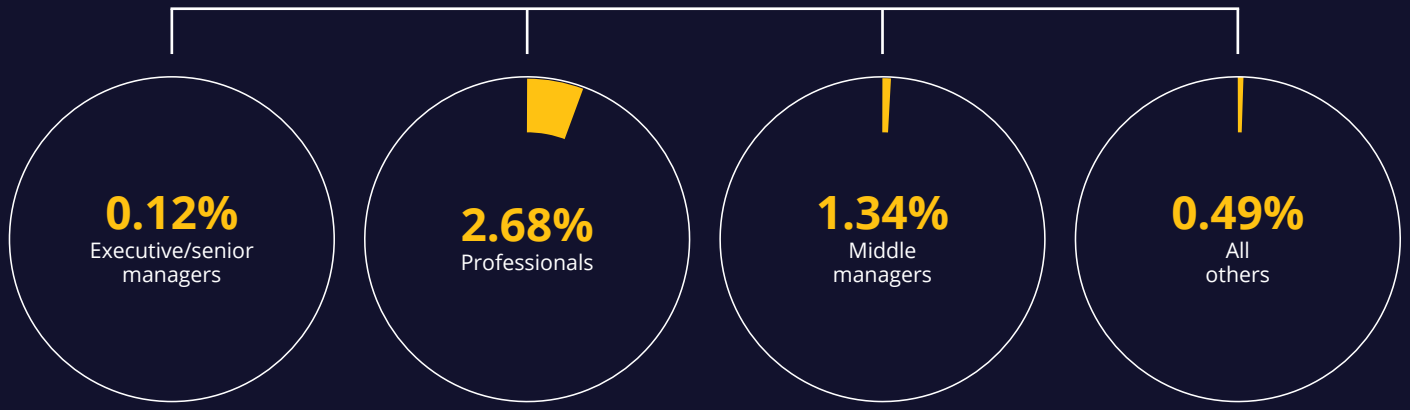
New Hires by Gender



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 well cared for. We place a high value on work-life balance and the importance of 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

VALUE²

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

Celebrating Our People

Schrödinger appreciates the contributions and creativity of our employees and provides a best-in-class work environment. We recognize that people thrive when they are part of a community of wellness, belonging, and support. That is the environment we work hard to cultivate.

Supporting Well-Balanced Lives

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. We have long supported a hybrid work schedule, and our employees have the option of working remotely three days per week. This allows employees to develop a work schedule that best suits their individual needs.

Each of our U.S. offices provides 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, we continued our third year of 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.

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.

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

Mindful Return.
Our enhanced 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. In 2023, we added a Mindful Return 201 course to our program offerings to support working parents who are past the parental leave phase, but may still be struggling with work-life balance.

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.

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.

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.

Vaccination Leave.
We also offer all benefits-eligible employees annual Vaccination Leave to obtain vaccinations and recover from any side effects.

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.

Paid Leave for COVID-19.
As part of our commitment to support a healthy workplace, we continue to offer paid leave for employees who have been in close contact or tested positive for the virus to quarantine, recuperate, and recover from COVID-19. Employees who are parents can use their COVID-19 leave to accompany their children to receive COVID-19 vaccines and/or boosters.

NEW

Holistic Health Benefits.
Acupuncture services are now covered under Schrödinger's medical plan for enrolled employees.

NEW

Pet Care Benefits.
To provide increased flexibility for employees returning to the office or participating in business travel, we have expanded our Care.com offerings to include Pet Backup Care.

*Stated benefits apply to U.S. employees

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

VALUE²

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

Building on Our Strong Commitment to Education and Community Enrichment

Schrödinger has a long-standing history of giving back that has focused heavily on educational outreach and engagement at all levels, from K-12 through post-graduate levels. We believe that increasing access to education raises the quality of life for all and provides the STEM fields with a continuous, diverse pipeline of potential talent. In 2023, we enhanced our efforts to support employees in making a positive impact in their communities, addressing critical needs in addition to education.

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.

Connecting with Future Scientists. Schrödinger was thrilled to be a sponsor of the inaugural Biochemistry Literacy for Kids summer camp, which brought together approximately 100 people from around the world, including about 40 students ranging from 1st to 10th grades. These students used Schrödinger's PyMOL molecular visualization system as part of their extracurricular or homeschooling activities. The summer camp forum gave these students the opportunity to come together for the first time to meet their peers using PyMOL. This week-long event allowed students to put their learning into practice with experiments, games, and a chance to present their scientific research at Princeton University. Schrödinger participated by making a financial contribution, presenting, speaking with students, and being part of the student-led research symposium.

Supporting Teachers

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

Due to the success of our annual Educator's Day event, and the increased interest in incorporating molecular modeling into the classroom, we expanded this initiative to a multiday event in 2023, renaming it "Educator's Week." We also added an in-person component for the first time, allowing educators to meet, network, and learn from each other at our New York City headquarters. This past year, 355 people attended the two-day virtual sessions and heard a keynote talk from Dr. Alain Viel of Harvard University's LabXchange, and 17 other talks from speakers around the world. The in-person workshop included the world premiere of PyMOL 3 (beta), a fully redesigned version of the widely used molecular visualization software. The workshop allowed the 42 in-person participants to access PyMOL 3 for hands-on learning.

Setting the Platform for Education. In 2023, we completed the second year of our Teaching with Schrödinger program, which adds industry-grade computational tools to school curriculums through a web-based version of our 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. In 2023, 844 students and teachers in 33 classes used Teaching with Schrödinger to integrate industry-leading molecular modeling into their learning.

STEM Career Path Opportunities

In 2023, Schrödinger and two City University of New York (CUNY) institutions — New York City College of Technology (City Tech) and LaGuardia Community College (LaGuardia) — were co-awarded a $1 million National Science Foundation grant to increase access to computational molecular modeling education.

The goal of this grant is to help increase access for underrepresented students to industry-leading technology and paid internships to prepare them for careers in drug discovery. The three-year grant will support approximately 480 STEM associate degree students from LaGuardia and up to 240 Biomedical Informatics bachelor's degree students from City Tech. Of these groups, 30 students will have the opportunity to intern at Schrödinger. The programming of this grant was designed to increase entry points into drug discovery careers by enhancing student participation at multiple levels on the pathway from community college to a four-year institution to the workforce.

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 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. Schrödinger worked with three cohorts from LabCentral Ignite's Career Forge program in 2023.

Mobilizing Our People for Positive Community Impact

A cornerstone of our company culture is empowering employees to be a positive force in our local communities and worldwide. We encourage our employees to get involved and give back through a variety of companywide initiatives, office programs, and individual efforts.

Maximizing Opportunities for Employee Impact

Building upon our preexisting offerings, such as our matching gift program and annual paid volunteer day benefit, Schrödinger released a new social impact platform for employees in 2023. It consolidates all matching gifts and volunteering activities globally, provides employees with access to local volunteer opportunities, and is available in all local currencies and languages. The system will facilitate easier access to these benefits, while enabling more granular tracking across our activities.

Launching Our Global Social Impact Policy

This year, Schrödinger launched its first Global Social Impact Policy. The policy was created to provide a cohesive corporate strategy for social impact initiatives around the world, as well as consistent guidance on how employees can get more involved. The policy covers both giving and employee volunteerism.

Priority Areas. A core component of the policy highlights Schrödinger's priority areas: Healthcare, STEM Education, Technological and Scientific Innovation, and Disaster Relief. We feel that our expertise and collective skill set stands to make the greatest impact across these areas of focus.

The Dual Components of Our Social Impact Strategy

Giving:

- Corporate Giving
- Matching Gifts
- In-kind Donations

Volunteering:

- Paid Volunteer Time Off
- Business-based Volunteering
- Employee-led Initiatives

Our 2023 Activities

In 2023, we increased participation in volunteer and mentorship opportunities across a variety of schools and independent STEM programs and contributed to charitable sponsorships across education and healthcare. We look forward to seeing the full expansion of our program in 2024.

STEM EDUCATION

Biochemistry Literacy for Kids
Provided materials for their summer camp, gave a presentation, and attended poster sessions

NOBCChE (National Organization for the Professional Advancement of Black Chemists and Chemical Engineers)
Donated resume review service by our Head of Recruiting and a Schrödinger online certification course

Brooklyn Technical High School Science (BTHS) Olympiad Team
Sponsored build materials and supplies to the BTHS Science Olympiad Team for their 2024 competition year

ORTOP (Oregon Robotics Tournament and Outreach Program)
Sponsored robotics programming for students in grades 2-12

The Child Center of NY
Sponsored and packed 130 backpacks with school supplies for students

Montgomery County Science Research Competition
Sponsored competition to provide prize money for winning students

Stuyvesant High School
Presented Structure-Based Small Molecule Drug Design hands-on software lesson

HYPOTHEkids
Ran Python boot camp for underrepresented students in STEM

Portland Science Festival
Hosted booth to engage children in science experiments

HEALTHCARE

SeriousFun Children's Network
Sponsored medical specialty camps, provided to children with serious illnesses and their families free of charge

Leukemia and Lymphoma Society (LLS)
Employees in New York City and Boston joined together to fundraise and walk for LLS' annual Light The Night event

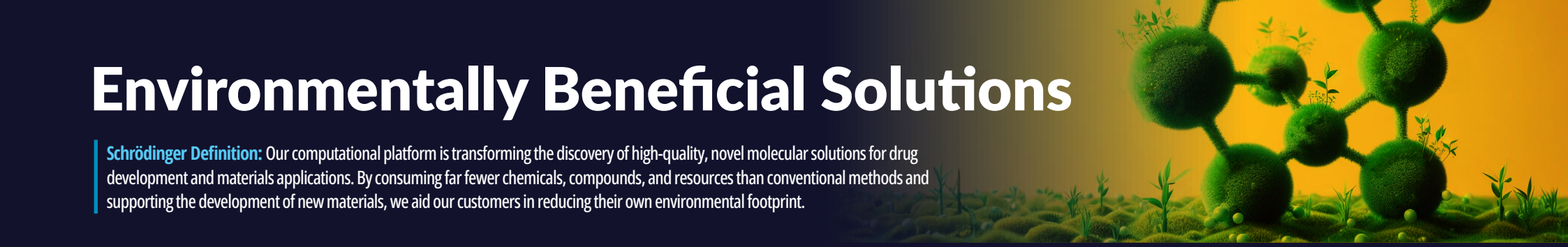
Advancing the Industry

In 2023, Schrödinger joined MassBio (Massachusetts Biotechnology Council), a not-for-profit organization that represents and provides services and support for the Massachusetts biotechnology industry.

Supporting Our Communities

To help address inequities in our communities, in 2023, Schrödinger became a member of Life Science Cares in New York, Boston, and San Diego to promote community engagement, STEM education, and opportunity for all.

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 and energy requirements
- Produces smarter approaches and product formulations

Offering Environmentally Beneficial Solutions

VALUE²

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

Driving Sustainable Discovery for Next-Generation Materials and Human Health

A growing global population and increased industrialization has placed significant strain on the world's finite resources. At Schrödinger, the work of our teams helps to protect the planet by making chemical discovery faster and less resource-intensive.

The development of molecules, high-performance materials, and medicines have two main characteristics in common: They are highly resource-intensive and have traditionally required significant trial and error to create. Whether through new and better materials that help reduce energy use and carbon emissions or by drastically reducing the time, resources, and number of chemical compounds tested in order to create new medicines — Schrödinger helps our customers shrink the environmental footprint of their products and processes. ▶

Schrödinger's computational platform helps explore formulations for a wide range of materials used in virtually every industry. For example, by developing new structural polymers, our platform is enabling a shift away from metal-alloy materials and toward organic-based, lighter-weight materials that help reduce the energy required to power today's vehicles and aircraft.

In drug discovery, our platform helps pharmaceutical companies test potential new drug candidates in a digital environment. By increasing the use of predictions, we can use fewer chemicals and synthesize only the most promising molecules for evaluation in a traditional wet lab setting. This enables our customers to bring potentially life-altering and lifesaving treatments to the clinic faster and with less environmental impact.

Schrödinger is also helping industry and academic partners to identify and develop materials designed to have a finite and 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.

Lowering Production Barriers via Catalysts

Schrödinger enables customers to design alternative catalysts that reduce the energy required for chemical reactions. With our platform, customers can develop these improved catalysts with fewer experiments and less resources, leading to more efficient chemical processing, reduced energy consumption and a lower environmental footprint.

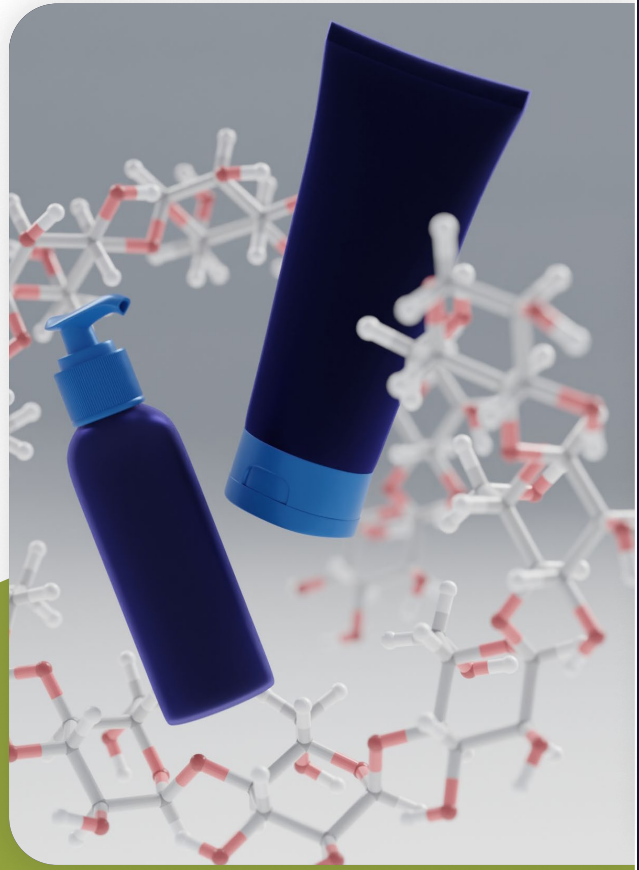
From Petro to Bio: Making More Sustainable Materials

In every sector and every market, companies and consumers are reassessing their reliance on fossil fuel-based materials in light of the urgent need to cut carbon emissions and reduce waste. Schrödinger facilitates that shift by enabling our customers to move away from petrochemicals and toward biomanufacturing in their search for materials that are fit for many different purposes.

For example, German startup Cambrium uses machine learning algorithms to find novel biomaterials with unique functions that don't occur in nature. The ability of Cambrium's generative AI models to swiftly design new proteins is greatly enhanced when using our physics-based modeling to simulate how those proteins behave under different conditions. With our help, Cambrium is able to develop ingredients for personal care products with sustainable biomaterials using a much more resource- and energy-efficient process.

"By combining the speed of machine learning with the accuracy of Schrödinger's physics-based simulation methods, Cambrium is tapping into a new world of potential for novel biomaterials."

— Schrödinger customer, Pierre Salvy, Head of Engineering, Cambrium



"In just one rocket, there are so many opportunities for new and improved materials — from low-temperature rubbers to composite resins with higher service temperatures that allow for lightweight, reusable rocket systems. And the lessons we learn about these materials can find their way into other systems, like airplanes, as well."

— Schrödinger customer, Dr. Levi Moore, Research Chemist, U.S. Air Force Research Laboratory

Optimizing Food Development

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. Together with our customers, 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), biobased ingredients, fortified foods, and nutraceuticals.

Lighter Materials for Greener Transportation

By replacing metals with organic polymer composites, manufacturers in the automotive and aerospace industries are creating lighter, more robust, high-performing materials. Schrödinger's simulation technology is helping aerospace manufacturers, like Boeing and the U.S. Air Force Research Laboratory, develop new, lighter-weight composites. In the case of the Air Force, computer modeling and simulation have already been widely adopted for analyzing aerodynamics. Research chemist Dr. Levi Moore is taking a different approach, using Schrödinger's computational platform to simulate the stresses of space travel on materials.

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 customers and suppliers on impact reduction

Reducing Our Operational Environmental Footprint

VALUE²

value for the world

- Helps to protect and preserve the planet and human health
- Helps customers and suppliers gain new capabilities in reducing their own footprint
- Contributes to a low-carbon future

Prioritizing Healthy, Environmentally Responsible Workplaces

Doing the right thing is a principle ingrained in our company culture. That includes ensuring our work environments provide inspiration and comfort for employees and are aligned with best practices for minimizing our environmental impact.

While still relatively early in our environmental sustainability journey, Schrödinger made significant progress in 2023. We built upon our commitment to greener workplaces, took steps to better understand our carbon footprint, signaled our intention to establish science-based emissions reduction targets, and set the foundations for establishing a formal environmental, health, and safety (EHS) function. ▶

This is in addition to our long-standing efforts to offer recycling and composting where we're able around the world, donate used office furniture, ensure electronics are disposed of properly, and limit office printers to discourage unnecessary use of paper. We also source supplies and other goods and services locally whenever possible.

Carbon-Neutral Computing

Our platform runs on high-performance computation, which requires significant amounts of energy. We are striving to make these processes as green as possible, even as we're pushing them to do more.

We are working to make our in-house computational footprint greener and more efficient. For example, our internal high-performance computing cluster runs on 100% renewable energy. Our next-generation computational footprint will integrate GPUs that require 3 1/2 times less power while delivering twice the performance.

We also access the cloud for a portion of our computational capacity to boost our computing power while accessing cleaner energy sources. We contract with cloud providers that are increasing their reliance on renewable energy and using ever-more efficient hardware. For example, the majority of our cloud computing footprint is hosted on carbon-neutral providers.

Advancing Environmental Sustainability in 2023

Understanding Our Footprint.
Schrödinger undertook efforts to measure our environmental impact, including establishing baselines for operational and supply-chain greenhouse gas emissions, and created an infrastructure for reporting these emissions for 2023 and beyond.

Setting Science-Based Reduction Targets.
With our emissions baseline now established, Schrödinger formally announced our intention to establish and report emission reduction targets aligned with the Science Based Targets initiative by the end of 2025.

Formalizing an EHS Function.
Schrödinger completed an audit of all our facilities in preparation for a formal internal EHS function, which is planned to be completed by the end of 2024.

Establishing a Formal Environmental Policy.
Schrödinger developed our first Environmental Policy that sets forth our commitments and methods for achieving them. This policy applies to all employees, contractors, and suppliers.

Expanded Our Commitment to Greener Workplaces.
Where possible, as Schrödinger builds out and/or leases new facilities, we have established or are working to earn LEED® green building certifications and related accreditations (see Page 42 for more information).

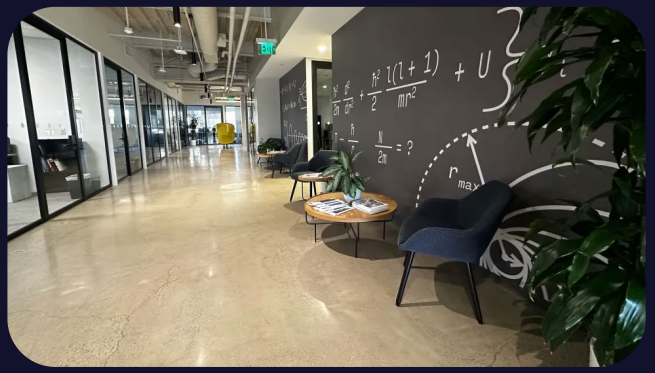
Greening Our Computing Power.
Schrödinger accesses carbon-neutral cloud computing capacity and is committed to creating in-house computing that is more efficient and reliant on renewable energy.

Greening Our Facilities

Schrödinger is pursuing workplaces around the world that meet the highest standards for environmental sustainability and employee well-being. We are committed to regularly renewing our LEED®, WELL Health-Safety, and FitWell certifications, as appropriate.

Framingham, MA

LEED® Gold designation anticipated in 2024 for our new 17K sq. ft. lab (Schrödinger's only wet lab).



San Diego

LEED® Gold designation received in 2023 for our 15K+ sq. ft. office.

Seoul

LEED® Certified designation anticipated in 2024 for our 4K sq. ft. office.

New York City

LEED® Gold designation received in 2022 for our 100K+ sq. ft. headquarters, and in 2023 for our 27K sq. ft. expansion.

Cambridge, MA

LEED® Gold designation received in 2022 for our 17K sq. ft. office.

Tokyo

LEED® Certified designation anticipated in 2024 for our completely renovated and expanded office space.

Our Environmental Footprint

Schrödinger has an opportunity to reduce our carbon footprint by using energy more efficiently, both in our own operations and through computational software provided to our clients. In 2023, we developed our first greenhouse gas (GHG) emissions inventory for our global operations in accordance with the Greenhouse Gas Protocol. We generate direct GHG emissions (Scope 1) through stationary and mobile fuel combustion and certain indirect GHG emissions (Scope 2) through purchased energy at our offices.

Our Scope 1 and 2 inventory includes 249 metric tons of CO_2e Scope 1 emissions from fossil fuel combustion and 847 metric tons of CO_2e market-based Scope 2 emissions from purchased energy. Our Scope 3 emissions include 31,431 metric tons of CO_2e driven primarily by the energy consumed by our computational software (Category 11).

*Waste: We obtained waste consumption data from landlords and property managers for four out of 12 sites. For the remaining eight sites where data was unavailable, we estimated consumption using the MT/square feet benchmark for known properties.
**Water Usage: We obtained water consumption data from landlords and property managers for nine out of 12 sites. For the remaining three sites where data was unavailable, we estimated consumption using the ML/square feet benchmark for known properties.

2023 Environmental Footprint Data	
Energy Consumption GIGAJOULES (GJ)	
Total Energy Consumption (Nonrenewable sources)	12,674
Natural Gas	4,869
Purchased Electricity	7,805
Energy Intensity GIGAJOULES (GJ) PER SQUARE FOOT (GJ/SQ. FT.)	
Energy Intensity (Nonrenewable sources)	0.045
Scope 1 and 2 GHG Emissions METRIC TONS CO_2e (MT CO_2e) Gases used in calculation: CO_2, CH_4, N_2O	
Total Scope 1 and 2 (Market-based)	1,096
Total Scope 1 and 2 (Location-based)	1,150
Scope 1: Stationary Combustion Sources - Natural Gas	249
Scope 2: Purchased Electricity (Market-based)	847
Scope 2: Purchased Electricity (Location-based)	901
GHG Emissions Intensity METRIC TONS CO_2e PER SQUARE FOOT (MT CO_2e/SQ. FT.)	
Scope 1, Scope 2 Market-based and Scope 3	0.11
Scope 3 GHG Emissions METRIC TONS CO_2e (MT CO_2e) Gases used in calculation: CO_2, CH_4, N_2O	
Total Scope 3	31,431
Category 1: Purchased Goods and Services + Category 2: Capital Goods	10,762
Category 3: Fuel- and Energy-Related Activities	92
Category 5: Waste Generated in Operations	210
Category 6: Business Travel	946
Category 7: Employee Commuting	331
Category 11: Use of Sold Products	19,090
Waste* METRIC TONS (MT)	
Total Nonhazardous Waste	366
Water Usage** MEGALITERS (ML)	
Total Water Usage	6.20

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 governmental authorities and regulatory bodies
- Maintains reputation as a responsible employer
- Provides assurance to customers, investors, and other stakeholders
- Leads by example and provides structure and guidance for employees and their decision-making

Sustaining a Commitment to Ethics, Transparency, and Compliance

VALUE²

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 Ourselves with Ethics and Integrity

Acting with integrity is at the core of everything we do. Building and maintaining trust with our stakeholders is a business and ethical imperative. The foundational document that guides our conduct is Schrödinger's Global Code of Business Conduct and Ethics (the Code), a document that is updated periodically to ensure business relevance and comprehensiveness.

Employees are asked to certify annually they have read and complied (and will continue to comply) with the Code. As of January 2024, 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.

Keeping Current: 2023 Corporate Policy Updates

As Schrödinger continues to evolve and expand, we are constantly evaluating and updating company policies in response to emerging needs, new regulations, or identified gaps.

U.S. Policy Prohibiting Discrimination, Harassment, and Retaliation. Our U.S. policy prohibiting discrimination, harassment, and retaliation has been updated to reflect recent changes in the law and for greater clarity.

Outside Activities. We introduced an Outside Activities and Conflicts Policy to clearly define acceptable "outside activities" for Schrödinger employees to engage in outside of their official duties, such as teaching, writing, or speaking engagements, in order to identify and mitigate any potential or actual conflicts of interest.

Consensual Relationships and Drug and Alcohol Use in the Workplace. To clarify our approach and ensure alignment across our offices and facilities, Schrödinger introduced formal policies on consensual relationships and drug and alcohol use in the workplace.

Employee Handbook Acknowledgement. After rolling out several new policies and updates, we asked all employees to complete an employee handbook acknowledgement, ensuring our employees have read, understood, and will comply with Schrödinger's policies and procedures.

Reinforcing Our Culture of Ethics and Compliance

At Schrödinger, our commitment to compliance is enterprisewide. We continue to build on our efforts to develop 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 expanded our internal function and hired a designated ethics and compliance manager in 2023.

In addition to the policies we already have in place, we are currently developing the following: a Global Equal Opportunity and Anti-Harassment Statement, an Affirmative Action Statement, and a Supplier Code of Conduct. We also continue to update our existing regional privacy policies.

Educating to Uphold Our Ethical Standards

Ensuring employees are equipped with the knowledge required to uphold our high standards for ethics and compliance is a business priority. As of the end of January 2024, we recorded completion rates of 99% or higher across all trainings.

We require training globally on the following key topics:

- Maintaining a Respectful and Harassment-Free Workplace: In 2023, we added an additional mandatory training session for all people managers at Schrödinger.
- Drug Discovery Firewall Policy
- Insider Trading
- Anti-bribery/Anti-corruption (including anti-money laundering)

Establishing Our Ombuds Office

As a global company with operations in Europe, we established our first Ombuds Office to comply with local laws and data privacy rules and regulations, as well as the recently implemented German Supply Chain Due Diligence Act. The Ombuds Office is a neutral and independent third-party reporting channel for employees, business partners, customers, and members of the public to report concerns regarding Schrödinger's business activities, suppliers, compliance with laws and regulations, or human rights and environmental risks.

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 governance 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

VALUE²

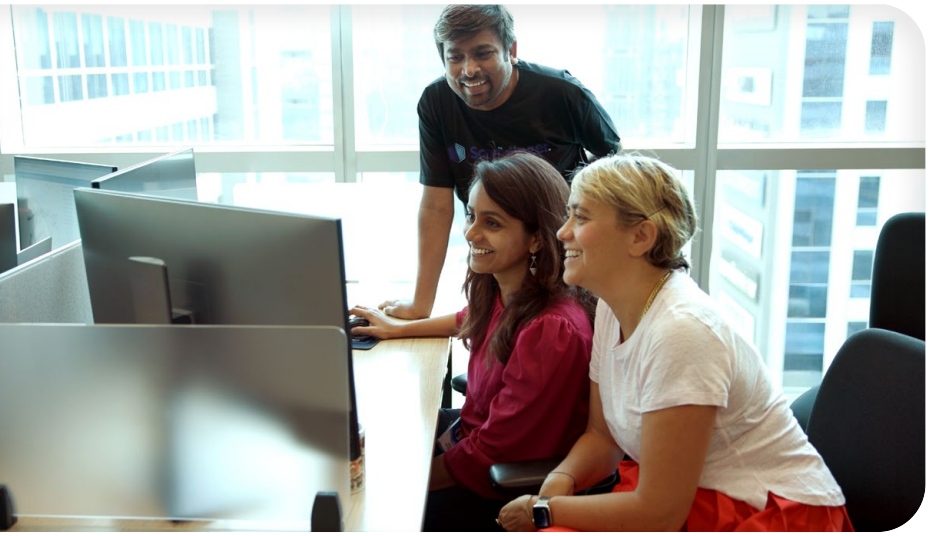
value for the world

- Prevents 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 with 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.

We have a policy to refuse to license our software to prospective customers in countries subject to U.S. export restrictions, individuals or entities on a Denied Party List maintained by the U.S. government, or for the development, production, or use of nuclear or biological weapons or missions.



Enabling the Work of Medicinal and Computational Chemists

Technologies like machine learning (often referred to as AI) continue to receive considerable attention and scrutiny, as media, regulators, and businesses explore 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 helps chemists design and test their ideas faster, leading to more high-quality ideas generated with less time spent synthesizing compounds.

Contributing to Open-Source Technologies

One aspect of applying technology in a responsible manner is helping to make it better and more accessible to scientists and others, who can use it for their own benefit, and the benefit of society. That's why we contribute regularly to open-source software initiatives such as the following:

- RDKit, an open-source cheminformatics toolkit
- Fixed Data Table 2, a widely used Javascript web table
- PyMOL, our molecular visualization system offered in both open-source and commercial versions

Further underscoring our commitment, Schrödinger also assists with small fixes to approximately a dozen different and additional open-source projects.

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 proprietary drug discovery 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

Protecting Intellectual Property

VALUE²

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. We make our platform available at significant discounts to certain end-users, including not-for-profit entities and organizations, academic institutions, educators, and life science and drug discovery collaborators. Even in such instances, the company retains intellectual property rights to its platform and improvements.

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

VALUE²

value for the world

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

Safeguarding 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 cybercriminals 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 customers' data, and that of current, former, and prospective employees. Our Information Security Department takes leadership on implementing our cybersecurity policies, processes, and technology in alignment 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. All employees are expected to complete an annual security awareness training to ensure enterprise-wide understanding of our policies and procedures.

We also have a Data Protection Officer located in Germany with whom we consult on data protection issues impacting European Union 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 amended.

Schrödinger's Organizational Firewall

Schrödinger maintains an organizational firewall that 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.

All employees participate in an awareness training to understand the importance of this firewall, with more in-depth training for employees whose job responsibilities include working with molecular structures.

Schrödinger's Cybersecurity Program Functions

- **Establishment and review of policies and procedures aligned with NIST Cybersecurity Framework 1.1 (NIST CSF), audited annually**
- **Compliance with applicable laws and regulations**
- **Development of cybersecurity incident response policies, procedures, and awareness trainings**
- **Penetration tests and vulnerability management**

Reporting Appendix

About This Report

This report references the GRI Standards 2021. 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, 2023 but also includes some information preceding and shortly following that date.

GRI Index

Disclosure	GRI Standards Disclosure Title	2023 Location/Response
General Disclosures		
2-1	Organizational details	Schrödinger 2023 Corporate Sustainability Report, About Schrödinger, Page 6 Schrödinger 2023 Annual Report on Form 10-K, Item 1. Business
2-2	Entities included in the organization's sustainability reporting	Schrödinger 2023 Annual Report on Form 10-K, Exhibit 21.1, List of Subsidiaries
2-3	Reporting period, frequency and contact point	Unless otherwise stated, quantitative and qualitative data contained in this report covers our fiscal year ending Dec. 31, 2023. 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.
2-5	External assurance	Not applicable.
2-6	Activities, value chain, and other business relationships	Schrödinger 2023 Corporate Sustainability Report, About Schrödinger, Page 6; Drug Discovery and Life Science Collaborations, Pages 17-19; Academic and Community Outreach, Pages 33-36; Environmentally Beneficial Solutions, Pages 37-39 Schrödinger 2023 Annual Report on Form 10-K, Item 1. Business
2-7	Employees	Schrödinger 2023 Corporate Sustainability Report, Schrödinger at a Glance, Page 7; Diversity, Equity, and Inclusion, Pages 28-29 (Workforce Metrics)
2-8	Workers who are not employees	Schrödinger 2023 Corporate Sustainability Report, Diversity, Equity, and Inclusion (Workforce Metrics), Pages 28-29
2-9	Governance structure and composition	Schrödinger 2023 Corporate Sustainability Report, ESG Governance, Pages 13-15 Schrödinger 2024 Proxy Statement, Corporate Governance, Page 41 Schrödinger Website, Corporate Governance
2-10	Nomination and selection of the highest governance body	Schrödinger 2024 Proxy Statement, Corporate Governance, Page 41
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 2023 Corporate Sustainability Report, ESG Governance, Pages 13-15 Schrödinger Nominating and Corporate Governance Committee Charter

Disclosure	GRI Standards Disclosure Title	2023 Location/Response
General Disclosures		
2-13	Delegation of responsibility for managing impacts	Schrödinger 2023 Corporate Sustainability Report, ESG Governance, Pages 13-15 Schrödinger Nominating and Corporate Governance Committee Charter
2-14	Role of the highest governance body in sustainability reporting	Schrödinger 2023 Corporate Sustainability Report, ESG Governance, Pages 13-15 The Board reviews the annual Corporate Sustainability report prior to publication.
2-15	Conflicts of interest	Schrödinger 2024 Proxy Statement, Pages 41, 59, 88
2-16	Communication of critical concerns	Schrödinger Global Code of Business Conduct and Ethics, Pages 9-13
2-17	Collective knowledge of the highest governance body	Schrödinger 2023 Corporate Sustainability Report, ESG Governance, Pages 13-15
2-18	Evaluation of the performance of the highest governance body	Schrödinger 2024 Proxy Statement, Page 44
2-19	Remuneration policies	Schrödinger 2024 Proxy Statement, Page 50
2-20	Process to determine remuneration	Schrödinger 2024 Proxy Statement, Page 50
2-21	Annual total compensation ratio	Schrödinger 2024 Proxy Statement, Page 71
2-22	Statement on sustainable development strategy	Schrödinger 2023 Corporate Sustainability Report, Message From Our CEO, Page 4
2-23	Policy commitments	Schrödinger 2023 Corporate Sustainability Report, Ethics, Transparency, and Compliance, Page 45 (Keeping Current: 2023 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 2023 Corporate Sustainability Report, Ethics, Transparency, and Compliance, Pages 44-45 (Conducting Ourselves with Ethics and Integrity, Keeping Current: 2023 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 2023 Corporate Sustainability Report, ESG Governance, Pages 13-15; Operational Environmental Footprint, Page 40; Ethics, Transparency, and Compliance, Pages 44-46; Responsible Use of Technology, Pages 47-48 Schrödinger finalized a Supplier Code of Conduct at the end of 2023, and will be rolling it out in 2024. Schrödinger is in the process of developing a human rights policy and planning for supply chain audits.
2-26	Mechanisms for seeking advice and raising concerns	Schrödinger Global Code of Business Conduct and Ethics, Page 9 Schrödinger 2023 Corporate Sustainability Report, Ethics, Transparency, and Compliance, Page 45 (Keeping Current: 2023 Corporate Policy Updates) Schrödinger Website, Corporate Governance (Ethics & Compliance Hotline)
2-27	Compliance with laws and regulations	During our fiscal year ending Dec. 31, 2023, Schrödinger was not subject to any material legal proceedings.

Disclosure	GRI Standards Disclosure Title	2023 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 (ACS) • American Chemical Society Computers in Chemistry Division (ACS COMP) • American Chemical Society Medicinal Chemistry Division (ACS MEDI) • American Chemical Society Organic Division (ACS ORG) • American Society of Clinical Oncology (ASCO) • American Society of Hematology (ASH) • Association for Computing Machinery (ACM) • Basel Area Business & Innovation • BaseLaunch American Association for the Advancement of Science (AAAS) • BioRN • Boston Area Group for Informatics and Modeling (BAGIM) • HESI • IEEE • International Society of Pharmacometrics (ISoP) • Life Science Cares (NYC, Boston, San Diego) • MassBio • Medicen • New York Area Group for Informatics and Modeling (NYAGIM) • Royal Society of Chemistry • Sociéte de ChemoInformatique • Society of Toxicology • Southern California Area Group for Informatics and Modeling (SAGIM) • World 50 (Sustainability50 and I&D Impact Community)
2-29	Approach to stakeholder engagement	Schrödinger 2023 Corporate Sustainability Report, ESG Governance, Pages 13-15; Drug Discovery and Life Science Collaborations, Pages 17-18; Diversity, Equity, and Inclusion, Pages 24-25; Academic and Community Outreach, Pages 33-35
2-30	Collective bargaining agreements	Globally, 23 employees in Japan and 10 employees in France are covered by some type of a collective bargaining agreement.
Material Topics		
3-1	Process to determine material topics	Schrödinger 2023 Corporate Sustainability Report, ESG Governance, Page 16 (ESG Materiality Assessment)
3-2	List of material topics	Schrödinger 2023 Corporate Sustainability Report, ESG Governance, Page 16 (ESG Materiality Assessment)
3-3	Management of material topics	Schrödinger 2023 Corporate Sustainability Report, ESG Governance, Pages 13-15 See also, each respective material topic section of this report.
Economic Performance		
201-1	Direct economic value generated and distributed	Schrödinger 2023 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 2023 Annual Report on Form 10-K, Risks Related to Regulatory and Other Legal Compliance Matters, Pages 107-108
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 2023 Corporate Sustainability Report, Drug Discovery and Life Science Collaborations, Pages 17-19; Academic and Community Outreach, Pages 33-36; Responsible Use of Technology, Pages 47-48
203-2	Significant indirect economic impacts	Schrödinger 2023 Corporate Sustainability Report, Drug Discovery and Life Science Collaborations, Pages 17-19; Academic and Community Outreach, Pages 33-36; Responsible Use of Technology, Pages 47-48
Anti-corruption		
205-1	Operations assessed for risks related to corruption	Partially reported: Schrödinger 2023 Corporate Sustainability Report, Ethics, Transparency, and Compliance, Pages 44-46
205-2	Communication and training about anti-corruption policies and procedures	Partially reported: Schrödinger 2023 Corporate Sustainability Report, Ethics, Transparency, and Compliance, Pages 44-46
205-3	Confirmed incidents of corruption and actions taken	In 2023, 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	2023 Location/Response
Anti-competitive Behavior		
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	In 2023, Schrödinger recorded no monetary losses as a result of legal proceedings associated with anti-competitive behavior, anti-trust, and monopoly practices.
Energy		
302-1	Energy consumption within the organization	Partially reported: Schrödinger 2023 Corporate Sustainability Report, Operational Environmental Footprint, Page 43 (2023 Environmental Footprint Data)
302-3	Energy intensity	Schrödinger 2023 Corporate Sustainability Report, Operational Environmental Footprint, Page 43 (2023 Environmental Footprint Data)
Water and Effluents		
303-5	Water consumption	Schrödinger 2023 Corporate Sustainability Report, Operational Environmental Footprint, Page 43 (2023 Environmental Footprint Data)
Emissions		
305-1	Direct (Scope 1) GHG emissions	Partially reported: Schrödinger 2023 Corporate Sustainability Report, Operational Environmental Footprint, Page 43 (2023 Environmental Footprint Data)
305-2	Energy indirect (Scope 2) GHG emissions	Schrödinger 2023 Corporate Sustainability Report, Operational Environmental Footprint, Page 43 (2023 Environmental Footprint Data)
305-3	Other indirect (Scope 3) GHG emissions	Schrödinger 2023 Corporate Sustainability Report, Operational Environmental Footprint, Page 43 (2023 Environmental Footprint Data)
305-4	GHG emissions intensity	Schrödinger 2023 Corporate Sustainability Report, Operational Environmental Footprint, Page 43 (2023 Environmental Footprint Data)
Waste		
306-3	Waste generated	Partially reported: Schrödinger 2023 Corporate Sustainability Report, Operational Environmental Footprint, Page 43 (2023 Environmental Footprint Data)
Supplier Environmental Assessment		
308-1	New suppliers that were screened using environmental criteria	Partially reported: Supplier Code of Conduct
Employment		
401-1	New employee hires and employee turnover	Schrödinger 2023 Corporate Sustainability Report, Diversity, Equity, and Inclusion, Pages 28-29 (Workforce Metrics)
401-3	Parental leave	Partially reported: 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		
403-1	Occupational health and safety management system	Health and Safety Policy, expected to be published on our website in 2024.
403-2	Hazard identification, risk assessment, and incident investigation	We completed a safety audit of all our office facilities and have put into place a reporting structure for investigating and tracking work-related injuries and illnesses. In our lab facility, we have done the same, but have also put a safety consultant on retainer for monthly safety on-site reviews. We will repeat the safety audits in all of our facilities in 2024.
403-5	Worker training on occupational health and safety	Partially reported: Schrödinger employees working in lab settings participate in occupational health and safety training. All employees, office and lab, can take part in optional yearly CPR and ergonomics training.

Disclosure	GRI Standards Disclosure Title	2023 Location/Response
Occupational Health and Safety		
403-6	Promotion of worker health	Schrödinger 2023 Corporate Sustainability Report, Employee Well-Being, Pages 30-32 Schrödinger provides ergonomic training annually in the United States and India, and all employees worldwide have access to standing desks, and ergonomic chairs and monitors. In addition, the company promotes physical health with different events scattered throughout the year that vary by location, including activities like vaccinations, massages, and health fairs. In the United States, employees have access to a mental health benefit, and the company supports an ERG related to promoting employee mental health and wellness that is open to all employees worldwide.
403-8	Workers covered by an occupational health and safety management system	Partially reported: There is no regulatory requirement for Schrödinger to have an occupational health and safety management system due to the nature of our business. However, in 2023, we completed a health and safety audit of our sites, implemented corrective actions identified in the audits, and intend to repeat this process in the future.
403-9	Work-related injuries	There were no work-related injuries in facilities controlled by the company. Our lab facility is classified as BSL-2, which has been verified by an outside contractor.
403-10	Work-related ill health	There were no work-related ill-health incidents in 2023 in facilities controlled by the organization. Our lab facility is classified as BSL-2, which has been verified by an outside contractor.
Training and Education		
404-1	Average hours of training per year per employee	Partially reported: Schrödinger 2023 Corporate Sustainability Report, Ethics, Transparency, and Compliance, Page 46 (Educating to Uphold Our Ethical Standards)
404-2	Programs for upgrading employee skills and transition assistance programs	Schrödinger 2023 Corporate Sustainability Report, Company Culture and Employee Engagement, Page 23 (Ongoing Learning and Development)
404-3	Percentage of employees receiving regular performance and career development reviews	Schrödinger 2023 Corporate Sustainability Report, Company Culture and Employee Engagement, Page 23 (Reviewing Performance)
Diversity and Equal Opportunity		
405-1	Diversity of governance bodies and employees	Schrödinger 2023 Corporate Sustainability Report, ESG Governance, Pages 13-15; Diversity, Equity, and Inclusion, Pages 28-29 (Workforce Metrics) Schrödinger 2024 Proxy Statement (Board Diversity Matrix), Page 48
Freedom of Association and Collective Bargaining		
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Schrödinger is in the process of developing a human rights policy and planning for supply chain audits.
Child Labor		
408-1	Operations and suppliers at significant risk for incidents of child labor	Schrödinger is in the process of developing a human rights policy and planning for supply chain audits.
Forced or Compulsory Labor		
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	Schrödinger is in the process of developing a human rights policy and planning for supply chain audits.

Disclosure	GRI Standards Disclosure Title	2023 Location/Response
Local Communities		
413-1	Operations with local community engagement, impact assessments, and development programs	Schrödinger is currently in the planning stage for conducting supply chain audits.
413-2	Operations with significant actual and potential negative impacts on local communities	Schrödinger is currently in the planning stage for conducting supply chain audits.
Supplier Social Assessment		
414-1	New suppliers that were screened using social criteria	Partially reported: Supplier Code of Conduct
414-2	Negative social impacts in the supply chain and actions taken	Schrödinger is currently in the planning stage for conducting supply chain audits.
Public Policy		
415-1	Political contributions	In 2023, Schrödinger did not engage in political contributions.
Marketing and Labeling		
417-3	Incidents of non-compliance concerning marketing communications	In 2023, 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 2023, 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	Discussion 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 2023, Schrödinger recorded no FDA Sponsor Inspections related to clinical trial management and pharmacovigilance.
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 2023, 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 healthcare products for priority diseases and in priority countries as defined by the Access to Medicine Index	Discussion and Analysis	HC-BP-240a.1	Partially Reported: Schrödinger 2023 Corporate Sustainability Report, Drug Discovery and Life Science Collaborations, Pages 17-19
Access to Medicines	List of products on the WHO List of Prequalified Medicinal Products as part of its Prequalification of Medicines Programme (PQP)	Discussion and Analysis	HC-BP-240a.2	Not applicable
Affordability and 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

Topic	Accounting Metric	Category	Code	Location/Response
Affordability and 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 and 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
Drug Safety	List of products listed in the Food and Drug Administration's (FDA) MedWatch Safety Alerts for Human Medical Products database	Discussion 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	Discussion 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	Discussion 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	In 2023, Schrödinger recorded no monetary losses as a result of legal proceedings associated with false marketing claims.
Ethical Marketing	Description of code of ethics governing promotion of off-label use of products	Discussion and Analysis	HC-BP-270a.2	Not applicable
Employee Recruitment, Development and Retention	Discussion of talent recruitment and retention efforts for scientists and research and development personnel	Discussion and Analysis	HC-BP-330a.1	Schrödinger 2023 Corporate Sustainability Report, Company Culture and Employee Engagement, Pages 20-22
Employee Recruitment, Development and 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 2023 Corporate Sustainability Report, Diversity, Equity, and Inclusion, Page 29 (Workforce Metrics)
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 2023, 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 healthcare professionals	Discussion and Analysis	HC-BP-510a.2	Not applicable

Activity Metric	Category	Code	Location/Response
Number of drugs (1) in portfolio and (2) in research and development (Phases 1-3)	Quantitative	HC-BP-000.B	Schrödinger Website, Therapeutic Pipeline

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 2023 Corporate Sustainability Report, Operational Environmental Footprint, Page 43 (2023 Environmental Footprint Data)
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 2023 Corporate Sustainability Report, Operational Environmental Footprint, Page 43 (2023 Environmental Footprint Data)
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 2023 Corporate Sustainability Report, Operational Environmental Footprint, Pages 40-43
Data Privacy and 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 and 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 and 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 and 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	0
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 2023 Corporate Sustainability Report, Cybersecurity and Data Privacy, Pages 50-51
Recruiting and Managing a Global, Diverse and 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 2023 Corporate Sustainability Report, Diversity, Equity, and Inclusion, Pages 28-29 (Workforce Metrics)
Intellectual Property Protection and 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 2023, 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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