Schrödinger Sustainable Procurement Policy

Policy Applicable To: All Procurement Activities, Suppliers, Contractors, and Third Parties
Related Policies: Global Supplier Code of Conduct (2025); Schrödinger Annual Corporate Sustainability Report

1. Purpose

At Schrödinger, our mission is to improve human health and quality of life by transforming the way therapeutics and materials are discovered. This Sustainable Procurement Policy outlines how we integrate environmental and social responsibility into our procurement practices, reinforcing our broader Corporate Sustainability goals and long-term resilience.

2. Scope

This policy applies to all direct and indirect procurement activities across Schrödinger, including sourcing of goods, services, capital equipment, and laboratory supplies. It applies to both existing and new suppliers, and it extends to contractors and third-party partners wherever feasible.

3. Guiding Principles

a) Adherence to the Global Supplier Code of Conduct

All suppliers must comply with the Schrödinger **Global Supplier Code of Conduct**, which outlines our expectations in the areas of:

- Business integrity and anti-corruption
- Fair labor and human rights
- Health, safety, and environmental responsibility
- Confidentiality, privacy, and data protection
- Governance, ethics, and legal compliance

This Sustainable Procurement Policy is complementary to the Supplier Code and builds upon it by integrating additional climate, supply-chain resilience, ethical business practice, and decarbonization criteria.

b) Environmental Stewardship and Climate Action

In alignment with our decarbonization goals and broader Corporate Sustainability strategy, we will prioritize suppliers who:

- Measure and disclose their greenhouse gas emissions (Scopes 1, 2, and relevant Scope 3)
- Set and pursue science-based climate targets (e.g., SBTi-aligned)
- Reduce environmental impacts across their operations, including:
    - Energy and water consumption
    - Packaging and material waste
    - Use of hazardous substances
    - Transportation and logistics emissions
- Adopt circular economy practices such as recycling, reuse, or product take-back
- Disclose sustainability performance in public reports or platforms

Where feasible, we will collaborate with key suppliers to implement shared climate and sustainability goals.

c) Responsible Sourcing and Supply Chain Resilience

We will evaluate supply chain partners based not only on cost, quality, and compliance but also on:

- Commitment to sustainability and transparency
- Ability to trace raw materials and identify sustainability risks in their own supply chains
- Participation in third-party sustainability assessments (e.g., EcoVadis, CDP)
- Commitment to supply chain due diligence for human rights, conflict minerals, and environmental compliance
- Prohibition of all forms of forced labor, child labor, and human trafficking
- Commitment to ensure safe, healthy and inclusive working conditions
- Respect for the rights to freedom of association and collective bargaining

Where applicable, we will reference suppliers' adherence to our Supplier Code of Conduct as part of this evaluation.

4. Supplier Expectations

Suppliers are expected to:

- Acknowledge and adhere to Schrödinger's Global Supplier Code of Conduct

- Share information on their sustainability performance and improvement plans upon request
- Participate in environmental and social assessments upon request
- Engage transparently in corrective action plans where gaps are identified

Suppliers with significant spend or risk exposure may be asked to:

- Submit to third-party sustainability assessments
- Provide GHG data and/or adopt science-based emissions targets
- Integrate circular or low-impact materials into production or packaging

5. Procurement Process Integration

We will embed sustainability into each stage of procurement:

- Pre-qualification & Sourcing: Sustainability criteria included in RFPs/RFQs, or contract renewals
- Contracting: Clauses requiring acknowledgement of our Code of Conduct and sustainability reporting
- Collaborate with suppliers to build capacity and support sustainability improvement

6. Governance & Accountability

- The Corporate Sustainability team is responsible for maintaining this policy, with additional oversight by the Ethics & Compliance team
- All sourcing and contract managers must incorporate sustainability criteria in supplier selection and evaluation
- A cross-functional Sustainable Procurement Task Force may be convened to support high-impact initiatives or climate-related supplier engagements

7. Review and Updates

This policy will be reviewed annually, or as needed, to reflect regulatory changes, advancements in sustainability practices, and company strategy. Updates will be communicated to all relevant internal and external stakeholders.