Schrödinger
ESG At-a-Glance

PUBLISHED JUNE 2022
Company Overview

Schrödinger is transforming the way therapeutics and materials are discovered. Schrödinger has pioneered a physics-based software platform that enables discovery of high-quality, novel molecules for drug development and materials applications more rapidly and at lower cost compared to traditional methods. The software platform is used by biopharmaceutical and industrial companies, academic institutions, and government laboratories around the world. Schrödinger's multidisciplinary drug discovery team also leverages the software platform to advance collaborative programs and its own pipeline of novel therapeutics to address important medical needs.

Corporate Sustainability at Schrödinger

Our mission is to improve human health and quality of life by transforming the way therapeutics and materials are discovered. We combine a deep understanding of physics, chemistry, and predictive modeling, with a commitment to embedding Environmental, Social, and Governance (ESG) principles into the way that we operate, serve, and engage. We believe investing in corporate sustainability will positively impact our stakeholders, is imperative to long-term business success, and aligns with our responsibility to positively contribute to society.

While early in our ESG journey, we are committed to improving our overall transparency, increasing our public disclosures, and evolving our responsible business practices. As a demonstration of this effort, we recently created a new leadership role dedicated to Corporate Sustainability and updated our Board’s Nominating and Governance Committee Charter to include oversight of ESG matters. Additionally, we are in the process of completing a formal Materiality Assessment to help drive the creation of a comprehensive, long-term ESG strategy. We plan to publish our inaugural Annual Corporate Sustainability Report in 2023, and in the interim, have updated our ESG At-a-Glance.

Alignment to the United Nations Sustainable Development Goals (SDGs)

The 17 UN SDGs are representative of the most complex global challenges. We prioritize nine SDGs where we can help make the greatest difference based upon our expertise, business strategies, and social impact efforts.

Our philanthropic program, launched in December 2020, named “Molecular Matching,” has guidelines for matching employee donations, which align to seven UN SDGs and an additional focus on Responsible Use of Technology.
Environmental

At Schrödinger, we are committed to embracing environmental sustainability across our business. Whether through our recently completed buildout of our new LEED Certified New York City Headquarters or through our regional composting programs, we believe focusing on environmental sustainability is critical, regardless of the relative size of our carbon footprint.

As we continue to reduce our environmental footprint, we are committed to establishing a baseline and reduction targets for our carbon emissions and other resource use. As our geographical footprint continues to shift and expand to support U.S. and global growth, we plan to apply responsible policies to all Schrödinger locations with a significant employee presence:

- The pursuit of LEED, WELL, and Fitwel certifications
- Transparency in our energy use, carbon emissions, and water usage
- Programs tied to composting, recycling, and reducing waste to landfill
- Partnerships with leading contract research organizations (CROs), many of which have committed to carbon neutrality and significant reductions in environmental impact

Additionally, we are in the process of moving our substantial computational footprint to a cloud platform that is carbon neutral and is on a path to being carbon free. To date, over 40% of our computational workload has transitioned to this cloud-based platform, and we expect to transition over 90% of this footprint by 2023. As the company opens new offices and/or data centers, we plan to continue to reduce carbon emissions to the greatest extent possible.

Computer hardware is central to how we work, and we support the circular economy by recycling and reusing these materials where possible. We re-purpose internally, provide opportunities for employee buyback programs, donate to nonprofits, sell for reuse, recycle, or as a last resort, dispose in an environmentally-friendly way.
A Spotlight on Our NYC Headquarters

By taking environmental sustainability into account from the onset of our new NYC Headquarters buildout, our office will emit 55% less embodied carbon than the industry average. More specifically, the project achieved a 40% embodied carbon reduction in flooring, a 10% reduction in ceiling, a 37% reduction in walls and a 23% reduction in glass partitions. This reduction in footprint also surpasses the benchmarks set by the American Institute of Architect’s 2030 Challenge — which seeks to bring the built environment to net zero emissions in the next eight years.

To achieve this cutting-edge environmental performance for Schrödinger’s new office space, architecture consulting firm, HLW, and their internal sustainability consultancy, BEYOND, carefully examined every partition, ceiling system, carpeting, and all other materials entering the building, measuring their carbon footprint to ensure the most sustainable option was utilized throughout the course of the project. Further, the team worked to incorporate as many materials as possible that had a “Healthy Product Declaration,” which acts as a nutrition label for the item, such as carpeting or ceiling tiles. The declaration lists everything that went into making the item, down to the chemistry, to ensure it was sustainably sourced. Learn more.
Social

Our employees are our greatest asset, and we strive to create a work environment that is inclusive, challenging and rewarding. We consider the intellectual capital of our employees to be an essential driver of our business and key to our future prospects. Though our industry is historically competitive for talent, we have maintained high employee retention rates. For the year ended December 31, 2021, our employee retention rate was 96.5%.

We believe our company culture aims to support each individual fully, not just their contribution as an employee. The COVID-19 pandemic has resulted in the creation of a more fluid and flexible work environment to allow individuals to meet their needs and those of their family members while contributing to our success. In the current virtual world, we have moved from regular onsite wellness activities to those that can be enjoyed virtually, including meditation, yoga and other health classes.

Our company culture also encourages engagement, both among our employees and within the communities we live and work. In the advancement of these efforts, internally, we have maintained a robust mentorship program, updated our management training programs to include mental health and wellness trainings, and refreshed our annual review process to encourage more real-time feedback between employees and managers to set and achieve personal performance goals. In engaging with our external community, we host a student internship program, including in partnership with a non-profit educational group that supports underserved local high school students who have demonstrated the knowledge, character, and skills to achieve their aspirations. To further our community engagement efforts, each of our U.S.-based employees is provided with a paid full day each year to volunteer in their local community. Read more in our most recent 10-K, under Human Capital.
Schrödinger Social Metrics
(as of Dec. 31, 2021)

**Turnover Rates (2021)**

- Voluntary: 3.6%
- Involuntary: 0.7%

**Schrödinger Gender Diversity**

- Male
- Female
- Non-binary
- Prefer not to answer

**Total Number of Permanent Employees By Region**

- United States: 486
- India: 88
- Germany: 36
- Japan: 20
- United Kingdom: 14
- France: 7
- Netherlands: 2
- Ireland: 1

- United States: 286 with PhDs
- All Employees: 654
- Fixed-Term: 14

- Participation in 2020 engagement survey: 94%
Schrödinger offers the following benefits to eligible full-time and part-time U.S. employees:

**Major Medical Benefits**
Schrödinger currently provides competitive health, dental and vision benefits. Schrödinger offers health coverage for qualifying domestic partners, as well as for dependent children of qualifying domestic partners. As of 2022, this plan covers services for the diagnosis and treatment of infertility. Such coverage includes basic, comprehensive, and advanced infertility services as well as fertility preservation services.

**Employee Assistance Programs**
Schrödinger provides two separate EAPs that provide assistance to employees and their eligible dependents with personal or job-related concerns.

**401(k) Plan**
Schrödinger’s retirement plan is administered by Fidelity. Eligible employees are able to contribute to the Plan and receive company discretionary contributions immediately upon hire. The company provides a discretionary employer matching contribution, provided the employee makes employee deferral contributions.

**Parental Leave**
Full-time employees (regardless of length of tenure) are eligible for up to 13 weeks of fully paid Parental Leave during the first 12 months after the birth, adoption, or foster placement of their child. Employees who give birth to multiples or adopt or foster multiple children at the same time will be eligible for up to 26 weeks of fully paid Parental Leave during the first 12 months after the births, adoption, or foster placement.

**Mindful Return**
Mindful Return is an e-course program for new parents that has been designed to ease anxieties about the return-to-work process. Schrödinger sponsors participation in the Mindful Return course for new parents who are expecting to begin parental leave, who are currently on parental leave, or are recently back at work.

**Tuition Reimbursement**
Full-time employees are eligible for 50% reimbursement for tuition costs. The courses must be job-related or form part of a job-related degree. Pre-approval of the tuition reimbursement is required and the maximum annual reimbursement is $3,000.

**Volunteer Day**
Full-time and part-time employees working at least 25 hours per week are granted one additional day off annually to use for the sole purpose of volunteering. This day of volunteering can be used toward supporting many of the charitable needs facing our world today.

**Commuter Benefits**
Schrödinger offers its employees the ability to participate in a tax-free reimbursement plan specifically set up for commuter expenses to and from work.

**Flexible/Hybrid Work Arrangements**
For over 20 years, Schrödinger has embraced a flexible, hybrid working environment, encouraging employees to be in-office three days a week. To offset expenses for remote work, the Company provides employees with an annual allowance for internet and phone expenses.

**Paid Holidays**
Eligible full-time and part-time employees are entitled to 10+ paid company holidays including Martin Luther King Jr. Day, Juneteenth, and Election Day. Additionally, Schrödinger provides a week-long holiday in both August and December.

Our employees are our greatest asset, and we strive to create a work environment that is inclusive, challenging and rewarding.
Diversity, Equity, and Inclusion at Schrödinger

We are dedicated to creating and fostering a vibrant and inclusive workplace, where every employee is treated with respect and dignity. Our commitment to and investment in Diversity, Equity, and Inclusion (DEI) may be seen across a variety of efforts managed both by our DEI Team and dedicated employee volunteers. Learn more.

Our DEI Council, a select group of executive leaders, Employee Resource Group representatives, and passionate employees, meet on a monthly basis to advise upon the company's DEI strategy, priorities, and goals. Our DEI Council also provides a permanent forum for voices to be heard across all levels of the organization.

Our five Employee Resource Groups (ERGs) provide a safe and equitable space for employees and allies to advance inclusivity, create opportunities for education and awareness, and contribute to ongoing business objectives.

Upon the success of our pilot program in 2021, we began the global expansion of our custom DEI Starter Kit program, an initiative that focuses on equipping our colleagues with critical tools and language to talk about inclusion, bias, and leveraging a growth mindset in the workplace.

Embedding DEI into Our Strategic Growth

At Schrödinger, we are committed to approaching recruitment through a lens of Diversity, Equity, and Inclusion. Our Strategic Growth team has embedded a number of best practices and initiatives into their operations.

Conferences & Networking

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

Structured Interviewing

As part of our interview process, when assessing candidates, our Strategic Growth team utilizes a standardized interviewing model to reduce unconscious bias, and to create consistency throughout our hiring process. Our hiring teams discuss the job requirements in depth, reviewing questions in advance, and assigning 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.

Manager Trainings

Our Strategic Growth team regularly hosts DEI training seminars for our hiring managers to educate leaders on ways to avoid the most common recruitment pitfalls, to help hiring teams proactively challenge biased or discriminatory thinking, and to ensure an equitable hiring process.
Educational Outreach

At Schrödinger, we have an entire team dedicated to creating, maintaining, and delivering learning materials and online courses in conjunction with our software. The Education team seeks to help internal and external stakeholders learn how to use Schrödinger software, with a strong focus on community outreach and STEM education.

Schrödinger Online Courses

The Schrödinger Education team currently offers four courses to customers in a series of sessions throughout the year and provides an average two free scholarship seats per course session. Since the creation of these scholarship seats in September 2020, Schrödinger has provided over $15,700 in scholarship credits. Our paid Teaching Assistants (TAs) are core to these courses and have generally completed the curriculum themselves. Many of our TAs are graduate students and leverage this experience to advance their professional careers.

Schrödinger's Postdoctoral Program

In early 2022, the Schrödinger Education team launched a formalized Postdoctoral Program and aims to host ten postdoctoral fellows on a rotating basis. These postdoctoral roles are designed to promote accessibility to long-term, independent careers in STEM by offering extensive training and the opportunity to work on cutting-edge research projects.

LEAS Labs Partnership

Schrödinger has been a partner of LEAS Labs since 2021, engaging in educational outreach with high school and college students to support career advancement and advanced science education. Included in this virtual and in-person programming has been the donation of free access to our online courses, to be taken at the students' convenience during the year.

Skype a Scientist

Volunteers on our Education team have engaged with nonprofit Skype a Scientist and have been connected with elementary to high school classrooms to explain general ideas of using computational chemistry to solve real-world problems with Schrödinger tools. Learn more.

Teaching with Schrödinger

Molecular modeling provides a powerful set of tools that are used in the life sciences industry to simulate molecular behavior in chemical or biological systems, making it a key component in many areas of research, including drug discovery. Although these tools would prove invaluable in STEM classrooms by allowing students the ability to visualize and interact with molecules in a three-dimensional environment, molecular modeling is rarely included in curriculums due to a number of technological barriers, including students not having enough disk space to download new software, out of date technology, and other historical barriers such as cost and accessibility. To help overcome these challenges, we launched “Teaching with Schrödinger,” a molecular modeling program where we have made a web-based version of Maestro, our proprietary software, more accessible to educators and students around the world through a virtual desktop environment. Learn more.

Educators Day

In 2021, Schrödinger held its first Educator’s Day event, an annual series developed to bring together K-12 and university educators to discuss computational tools in the science classroom. Through the inaugural event, we learned that providing access to cutting-edge technology gives science educators a unique opportunity to enrich the overall learning experience of tomorrow’s scientists. Learn more.
Drug Discovery & Materials Design

We are transforming the way therapeutics and materials are discovered. We have developed an industry-leading physics-based computational platform that enables discovery of high-quality molecules for drug development and materials applications faster than traditional methods, at a lower cost, and with a higher likelihood of success. By leveraging Schrödinger software, our key internal and external stakeholders are able to create more opportunities for further development with less time, less waste, and fewer costly resources.

Learn more about:

**Drug Discovery at Schrödinger**
- Schrödinger Collaborations
- At the Forefront of Structure-Based Drug Discovery
- Accelerating Drug Discovery with Advanced Computing and AI: Inside the Schrödinger — AstraZeneca Collaboration

**Materials Design at Schrödinger**
- Driving Sustainability at Reckitt through the Adoption of Molecular Simulations
- Using Modeling to Develop Healthier and More Sustainable Food
- Materials Science Offers a Path to Sustainability

Global Health

At Schrödinger, we are continually seeking opportunities to leverage our unique platform beyond our daily efforts in biomedicine and material sciences to positively impact lives around the globe. By using our software to focus on global health, we have been able to support scientific advances over the years on a variety of infectious diseases. Learn more.

COVID-19 Alliance

Alongside biopharma partners Takeda, Novartis, Gilead Sciences, and WuXi AppTec, we have been working to develop antiviral therapeutics, with Schrödinger leading the effort’s computational workstreams. We have evaluated billions of compounds by machine learning virtual screening technology and thousands by our FEP+ platform. These efforts have provided compounds with promising in vivo activity against SARS-Cov-2, the virus that leads to Covid-19. Schrödinger scientists from around the world have donated over 10,000 person hours of their drug discovery expertise to this critical cause. Learn more.
Governance

Our approach to governance is rooted in our core values and ensuring that we hold our Board and our teams accountable for progress on our mission and commitments to society. Learn more.

Board Composition and ESG Governance

Schrödinger’s Board and executive leadership team are committed to ongoing ESG stakeholder engagement and transparency. The Nominating and Corporate Governance Committee is responsible for ESG oversight, and it periodically reviews, reports and makes recommendations to the full Board concerning our ESG policies and practices.

Culture of Compliance

The Code of Business Ethics and Conduct (Code) is shared annually with the entire Company. In 2022, we will distribute our Code for review and acknowledgment of its contents and compliance. This acknowledgment will continue to be standard for new hire onboarding.

Our employee handbook includes policies on equal employment opportunity, anti-harassment, whistleblower, anti-bribery and corruption, disclosures, and insider trading. In 2022, we expect to present live training to the company on anti-harassment, anti-bribery and corruption, data privacy and information security, and insider trading.

Data Privacy and Security

Schrodinger has an established cybersecurity department with policies, processes, and procedures that align with the National Institute of Standards and Technology Cybersecurity Framework. We perform penetration tests on our products and undergo regular third party audits of our cybersecurity program. Schrödinger’s privacy policy is posted publicly on our website, and has a data protection officer based in Europe who assists in ensuring that Schrödinger complies with GDPR regulations.

Political Contributions

Schrödinger does not currently engage in any political activities, lobbying efforts, or financial contributions.