

# Schrödinger: ESG At-a-Glance

## Environmental, Social, and Governance 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, and a commitment to building Environmental, Social, and Governance (ESG) principles into the way that we operate, serve, and engage. We believe the health and well-being of our stakeholders are imperative to long-term business success and align with our responsibility to positively contribute to society.

We maintain a healthy and productive workforce through diversity and inclusion and employee wellness, development, and engagement programs. We are committed to reducing our environmental footprint and continuing to build a values-driven culture of compliance. While early in our ESG journey, our at-a-glance sheet highlights progress across the company, and a commitment to continuous improvement and transparency.

## Recognition for our ESG Performance



Ranked #10 on Built In NYC's Best Places to Work in 2021



Ranked #4 on Crain's Best Places to Work in NYC in 2019

## COVID-19 Response

In early March 2020, we issued a global work from home policy to ensure the health of our employees and local communities while advancing our business objectives. We are well-equipped to work remotely, engage with our customers and continue to advance our internal drug discovery programs. We leveraged our computational platform, LiveDesign® enterprise solution and drug development expertise to contribute to a multi-company philanthropic effort to develop novel COVID-19 therapeutics that would be made available to the public in support of global public health.

**100%**

of employees transitioned to work from home and provided virtual wellness, mental support and kid friendly programs

## Uninterrupted computational software support

with minimal disruption to collaborative programs

## Alignment to the United Nations Sustainable Development Goals (SDGs)

The 17 UN SDGs are representative of the most complex global challenges. We prioritize 9 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 7 UN SDGs and 1 additional company goal: Responsible Tech – data privacy, transparency, and truth in reporting. In the first 6 months of our Molecular Matching program, we have donated more than \$80,000 to charities.



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Our new headquarters in New York will be in a **LEED Gold certified, WELL certified and Fitwel certified space**

**100% composting** of onsite organic waste in our Portland office; expanding program to our new headquarters in New York

100% of our data centers use **renewable energy** and are on a path to being **carbon free**

We continue to reduce our environmental footprint and are committed to establishing a baseline and reduction targets for our carbon emissions and other resource use.

As our real estate footprint continues to shift and expand to support US and global growth, we will apply responsible real estate policies to all locations with 40+ employees:

- LEED, WELL, and Fitwel certified spaces
- Transparency in our energy use, carbon emissions, water usage
- Programs tied to composting, recycling, and reducing waste to landfill

Computer hardware is central to how we work, and we support the circular economy by recycling and reusing:

- Providing older laptops to employees and donating older supercomputers through a partnership with Cancer Computer, a nonprofit that supports cancer researchers
- Computer hardware that we do not find a new use for is disposed of through recycling centers

We partner with leading contract research organizations (CROs), many of which have committed to carbon neutrality and significant reductions in environmental impact.

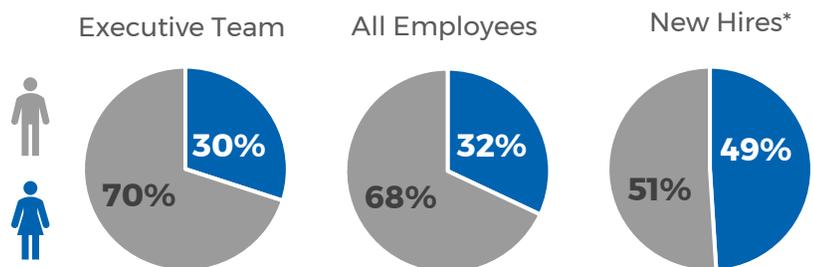
Our social sustainability efforts focus on engaging employees, promoting a diverse and inclusive workplace, and strengthening our local communities.

## Diversity, Equity, and Inclusion (DEI)

We are dedicated to creating a vibrant and inclusive workplace, where every employee is treated with respect and dignity.

Our DEI council allows our executive leadership team, employee volunteers, and Employee Resource Groups (ERGs) to listen to feedback from all levels of the company. Its first initiative was a DEI Starter Kit course pilot program for 50 employees with a goal to offer it or a similar program to all employees. Our ERGs offer a wealth of learning opportunities and activities; on average 2-3 times per month. We have 4 ERGs focused on supporting the diversity among our employees and fostering an inclusive and equitable environment.

## Schrödinger Gender Diversity



\*1/1 – 5/31 2021

## Schrödinger ERGs

- SPOC** People of Color
- SASS** LGBTQ+
- SWAE** Women and Non-Binary
- CAPS** Caregivers

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SOCIAL

## Human Capital and Employee Engagement

We are developing an active culture where resources are available for everyone at our company. We offer trainings on:

- Bystander intervention (through Step Up!)
- Anti-harassment (video & in-person – coming later in 2021)
- Other DE&I topics through our ERGs

We also conduct an annual employee engagement survey. Recent results have driven a new mentorship program, updates to our management training programs, and a refreshed annual review process.

## Community Engagement

Beginning in 2019, each US-based employee has an extra paid day off each year for volunteer work.

Our ERGs sponsor a summer camp for HYPOTHEkids, a local New York nonprofit organization dedicated to providing underserved students with hands-on science and engineering educational and mentorship experiences.

**90%**  
Average participation in engagement surveys

**92%**  
say "The leaders at Schrödinger demonstrate that people are important to the company's success"

**~75%**  
participation in mentor program

## Turnover rates (2020)

**< 3%** voluntary

**< 2%** involuntary

Our internship program develops management skills at an early stage, helping build the next generation of leaders. It includes a partnership with Cristo Rey Network that supports local high school students who have demonstrated the potential and motivation to achieve success and who do not have the educational background or financial means to attend other private, college-prep schools.

GOVERNANCE

Our approach to governance is rooted in our core values and ensuring that we hold our team accountable for the progress on our mission and commitments to society.

## Board Composition and ESG Governance

Schrödinger's Board and executive leadership team are committed to ongoing ESG stakeholder engagement and transparency.

The full board is responsible for ESG oversight and receives periodic updates in board meetings.

## Culture of Compliance

The entire company trained on our [Code of Conduct](#) adopted at the time of our IPO in March 2020, and this training is now standard for new employee onboarding.

Our employee handbook includes policies on anti-harassment, whistleblower, anti-corruption, disclosures, insider trading, business conduct and ethics, and equal opportunity.

## Independent Chairman and Board Committees

**88%**  
Independent Directors  
(7 of 8)\*

**25%**  
Women  
(2 of 8)\*

\*as of June 18, 2021

## Cybersecurity and Data Privacy

We established a cybersecurity department in 2019 and have had 0 cyber incidents to-date. Our cybersecurity policies are reviewed regularly by internal and external experts, and we work with external firms to continuously test and improve our cybersecurity.

A detailed incident response plan is in place that includes internal and external protocols, along with employee training on cybersecurity awareness, incident prevention, and data privacy.