

Overview

Cerner is dedicated to promoting clean business practices and reducing our carbon footprint on the environment. In order to effect meaningful change, we must first quantify and gain a thorough understanding of our current environmental impact. This report provides the methodology and resulting metrics from our first corporate carbon assessment, spanning the years of 2018 - 2020.

Cerner engaged Broadridge Consulting Services and ESG subject matter experts, Third Economy, to support our efforts in collecting the available data from our principal physical U.S. and international properties to calculate our energy consumption, greenhouse gas (GHG) emissions, and water consumption. These facilities include office space, data centers, warehouse facilities, fitness centers and on-site health clinics in the following locations, which represent over 85% of Cerner's global physical footprint:

U.S. Locations

Kansas City, Missouri
Kansas City, Kansas
Lee's Summit, Missouri
Malvern, Pennsylvania

International Locations

Manyata, India
Kolkata, India
North Gate, India

Data collected included available electricity and gas usage from the above U.S. locations and electricity, natural gas consumption and estimated emergency generator diesel consumption from the above international locations. We have also collected available water usage from the above U.S. locations.

Fluctuations in year-over-year energy usage may be attributable to changes in physical office locations, as well as implemented energy efficiency measures. Also, note that these results include the material impact of construction projects on our campuses in Kansas City during the assessment period. Those factors, along with the impact of COVID-19 restrictions in 2020 and general variability of office requirements within the typical course of business, have caused our carbon footprint to fluctuate materially over the past three years. For these reasons, the data in this assessment should not be used for trending purposes. Also note that data is preliminary, unaudited and subject to revision.

Equipped with these results and the details of factors driving them, Cerner will perform a thorough analysis of our business practices to identify areas for improvement and potential initiatives designed to reduce our carbon footprint. As we continue to enhance our sustainability program and disclosures, Cerner will also evaluate and consider establishment of both short-term and long-term goals related to our carbon emissions, as well as alignment with various global initiatives.

Carbon Assessment Results (2018 – 2020)

Energy Consumption

Energy consumption metrics for our U.S. Locations¹ and International Locations² are shown in the table below.

Energy Consumption	2020	2019	2018
Electricity Consumption (MWh)	248,093	287,140	278,766
<i>U.S. Locations Electricity</i>	<i>242,554</i>	<i>279,168</i>	<i>272,655</i>
<i>International Locations Electricity</i>	<i>5,539</i>	<i>7,972</i>	<i>6,111</i>
Gas Consumption (CCF)	1,170,341	1,393,183	1,377,191
Diesel Consumption (Gallons)	9,980	75,569	93,555

Greenhouse Gas Emissions

Cerner determined scope 1 and 2 emissions based on the information above. Scope 1 and Scope 2 emissions are considered “direct” and “indirect” emissions from stationary combustion (natural gas used for building heating & diesel used for emergency generators) and electricity usage in our U.S. Locations and International Locations. Cerner determined scope 3 emissions utilizing Quantis Scope 3 tool for four of the fifteen Scope 3 categories.

Greenhouse Gas (GHG) Emissions	2020	2019	2018
Scope 1 (mtCO ₂ e)	6,480	8,366	8,463
<i>U.S. Scope 1</i>	<i>6,378</i>	<i>7,592</i>	<i>7,505</i>
<i>International Scope 1</i>	<i>102</i>	<i>774</i>	<i>958</i>
Scope 2 (mtCO ₂ e)	127,404	147,827	142,503
<i>U.S. Scope 2</i>	<i>123,298</i>	<i>141,917</i>	<i>138,185</i>
<i>International Scope 2</i>	<i>4,106</i>	<i>5,910</i>	<i>4,318</i>
Scope 3 (mtCO ₂ e)	682,260	856,665	880,678
<i>Purchased Goods & Services</i>	<i>618,450</i>	<i>726,048</i>	<i>761,743</i>
<i>Fuel & Energy Related Activities not included in Scope 1 and 2</i>	<i>27,101</i>	<i>31,657</i>	<i>30,616</i>
<i>Business Travel</i>	<i>16,309</i>	<i>78,560</i>	<i>67,919</i>
<i>Employee Commute</i>	<i>20,400</i>	<i>20,400</i>	<i>20,400</i>
Total (mtCO₂e)	816,144	1,012,858	1,031,644

¹ Includes Cerner's office space, data centers, warehouse facilities, fitness centers and on-site health clinics in Kansas City, Missouri, Kansas City, Kansas, Lee's Summit, Missouri and Malvern, Pennsylvania.

² Includes Cerner's office space, data centers, fitness centers and on-site health clinics in Manyata, India, Kolkata, India and North Gate, India.

Note:

Cerner's 2018, 2019 and 2020 calendar year greenhouse gas emissions from our facilities were calculated using the U.S. EPA's Simplified GHG Emissions Calculator Version 6 that uses the GHG Protocol's GHG calculation methodology. U.S. Emissions factors are updated using the EPA's eGRID GHG Emissions Factors (issued March 2020).

The significant reduction in Scope 2 GHG emissions in 2020 despite the addition of physical office locations may be attributed to Covid-19 use restrictions.

The Quantis Scope 3 calculator tool that was utilized in this assessment calculates GHG emissions based on various factors related to specific Scope 3 categories. Cerner's Employee Commute emissions is the same for 2018, 2019 and 2020 due to the consistent range of number of employees. Due to Covid-19 restrictions, the 2020 outcome for employee commuting is likely lower, as the vast majority of Cerner associates worked remotely for most of the year; however, the Quantis Scope 3 tool does not account for the COVID-19 pandemic conditions and, instead, bases its quantification solely on the number of employees.

Water Consumption

Water consumption data for the U.S. Locations are shown in the table below. Sub-metered water consumption data from the International Locations was not available at the time of this report.

Water Consumption	2020	2019	2018
Water Consumption (gallons)	66,561,255	76,004,354	98,818,317