Carbon Assessment Report (2018 - 2021)

Overview

Cerner is dedicated to promoting clean business practices and reducing our carbon footprint on the environment. 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 2021 corporate carbon assessment. This report builds on our first carbon assessment report spanning 2018-2020 that was released in August 2021, completed with the help of Broadridge Consulting Services and ESG subject matter experts, Third Economy.

For this report, we collected 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 a majority of Cerner's global physical footprint:

U.S. Locations	International Locations
Kansas City, Missouri	Manyata, India
Kansas City, Kansas	Kolkata, India
Lee's Summit, Missouri	North Gate, India
Malvern, Pennsylvania	

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 changing COVID-19 restrictions from 2020 through 2021 and general variability of office requirements within the typical course of business, have caused our carbon footprint to fluctuate materially over the past four 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 the results of our carbon assessment along with the details of factors driving the results, Cerner is working to 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 (2019 – 2021)

Energy Consumption

Energy consumption metrics for our U.S. Locations[1] and International Locations[2] are shown in the table below.

Energy Consumption	2021	2020	2019	2018
Electricity Consumption (MWh)	245,101	248,093	287,140	278,766
U.S. Locations Electricity	*241,454*	*242,554*	*279,168*	*272,655*
International Locations Electricity	*3,647*	*5,539*	*7,972*	*6,111*
Gas Consumption (CCF)	889,185	1,170,341	1,393,183	1,377,191
Diesel Consumption (Gallons)	5,984	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	2021	2020	2019	2018
Scope 1 (mtCO2e)	4,907	6,480	8,366	8,463
U.S. Scope 1	*4,846*	*6,378*	*7,592*	*7,505*
International Scope 1	*61*	*102*	*774*	*958*
Scope 2 (mtCO2e)	125,736	127,404	147,827	142,503
U.S. Scope 2	*123,032*	*123,298*	*141,917*	*138,185*
International Scope 2	*2,704*	*4,106*	*5,910*	*4,318*
Scope 3 (mtCO2e)	540,926	682,260	856,665	880,678
Purchased Goods & Services	*476,436*	*618,450*	*726,048*	*761,743*
Fuel & Energy Related Activities not included in Scope 1 and 2	*26,374*	*27,101*	*31,657*	*30,616*
Business Travel	*17,716*	*16,309*	*78,560*	*67,919*
Employee Commute	*20,400*	*20,400*	*20,400*	*20,400*
Total (mtCO2e)	**671,569**	**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, 2020 and 2021 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, 2020 and 2021 due to the consistent range of number of employees. Due to Covid-19 restrictions, the 2020 and 2021 outcomes for employee commuting are likely lower, as the vast majority of Cerner associates worked remotely for most of 2020 and 2021; 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	2021	2020	2019	2018
Water Consumption (gallons)	53,104,763	66,561,255	76,004,354	98,818,317