

Cerner UK Gender Pay Gap Report for 2018

Since 5 April 2017, any UK company employing more than 250 employees has been required to publish their gender pay gap data. This is Cerner's second year of reporting this information.

At Cerner, we believe in job opportunities for everyone, regardless of gender.

We want a diverse and balanced workforce that reflects the customers and communities we serve and ensures our people can be their best selves at work. As a company, we are committed to addressing gender bias, and we support gender equality and an inclusive culture in the workplace.

What is 'gender pay gap' and is it different to equal pay?

The gender pay gap is not the same as equal pay. Equal pay deals with the pay differences between men and women who carry out the same jobs, similar jobs or work of equal value.

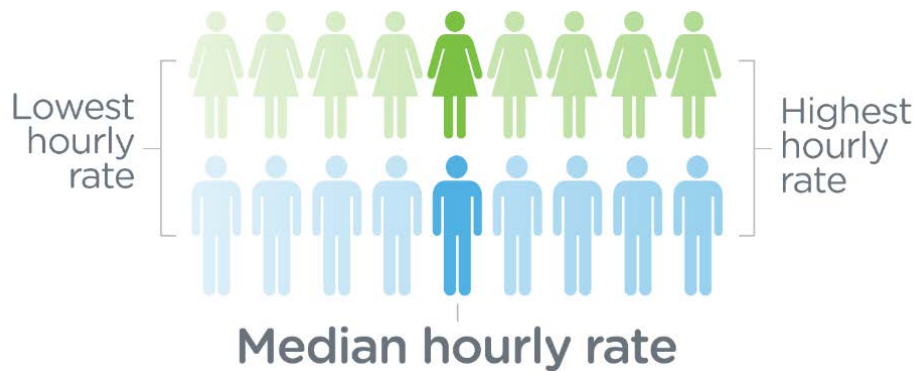
Gender pay gap shows the difference in the average pay between all men and all women, across all jobs, and at all levels within an organisation, irrespective of role or seniority. This is expressed as a percentage of men's earnings, e.g. using the national mean, women earn 17.9 percent less than men.

The data required for reporting purposes is based on hourly rates of pay at the 'snapshot date' of 5 April 2018. The bonus gap data is based on bonus payments for the 12 months up to 5 April 2018.

Measuring the gender pay gap

Median pay gap

The median represents the middle point of a population. If you had in a row, from the highest to the lowest, all the women's hourly rates of pay at a company and in another row, all the men's hourly rates of pay, the median pay gap is the difference between the middle woman's hourly rate of pay compared to the middle man's hourly rate of pay.



Mean pay gap

The mean gender pay gap is the difference between the average hourly rate of pay for women, compared to the average hourly rate of pay for men within a company and expressed as a percentage.

$$\frac{\text{Total male pay}}{\text{Total male employees}} \text{ vs } \frac{\text{Total female pay}}{\text{Total female employees}} = \% \text{ Mean gender gap pay}$$

Because different jobs pay differently and the number of men and women performing these jobs varies, a gender pay gap will exist.

Our pay gap

Cerner UK has a mean (average) gender pay gap of 9.2 percent (9.8 percent in 2017), meaning that on average, our female employees' hourly rates of pay are 9.2 percent lower than our male employees' hourly rates of pay. This is smaller than both the national mean of 17.1 percent and our industry-specific mean of 15.7 percent. Our median (middle) gender pay gap is 8.5 percent (6.2 percent in 2017).

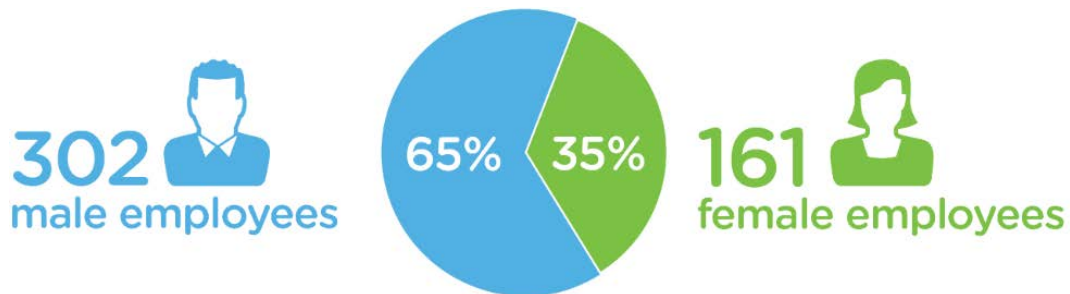
We are pleased that the median gap has reduced and continue to work hard to close the pay gap. Recruitment and retention of the best talent is critical for the success of our business and we will continue to identify talent and nurture it in all employees so that they can reach their full potential. We also know that having diversity in the business, from entry level to senior positions, will achieve greater gender parity. We've taken positive strides towards this with our UK Cabinet now having an equal representation of men and women.

Gender pay gap	Mean (Average)	Median (Middle)
Cerner UK gender pay gap	9.2% Lower	8.5% Lower
UK gender pay gap (all industries and services) *	17.1% Lower	17.9% Lower
Industry-specific gender pay gap (Information and communication industry) *	15.7% Lower	21.2% Lower

*Source: Office for National Statistics: Annual Survey of Hours and Earnings: 2018 provisional

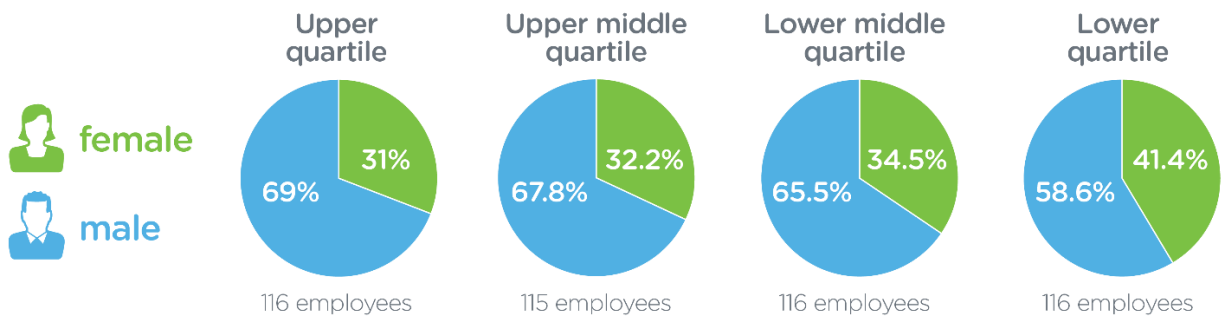
Our workforce

The total Cerner UK workforce of 463 employees at the 'snapshot date' of 5 April 2018 is illustrated in the diagrams below and is expressed as both a number and a percentage.



Our pay quartiles

The quartiles are calculated by listing the hourly rate of pay for each employee in order of increasing value. The list is then divided into four groups, each with an equal number of employees (or nearly equal if there is an odd number).



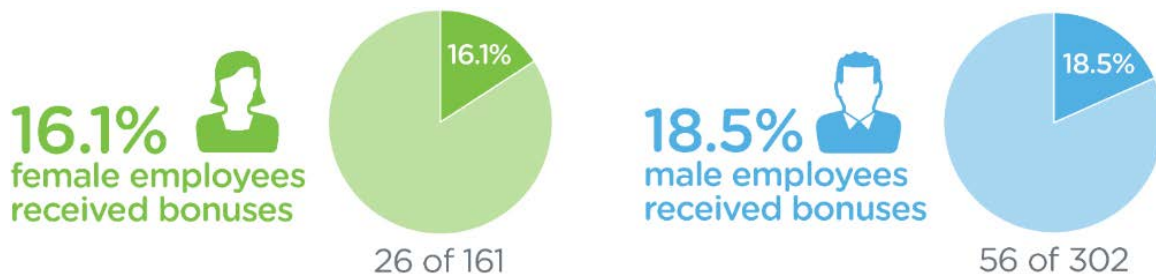
Our pay quartiles closely reflect our overall workforce gender split. 31 percent of our higher paid jobs are occupied by women. This is up from 25 percent in 2015. We remain confident that we are making strong progress in growing the number of women in senior positions.

Our bonus gap

Gender bonus gap	Mean (Average)	Median (Middle)
Cerner UK gender bonus gap	70.4% Lower	49.1% Lower

Our bonus scheme is only applicable to employees who hold particular jobs. Additionally, employees in senior management and leadership positions participate in a bonus scheme that includes stock options. Employees with stock options can exercise their stock options at any time upon vesting and this will have an impact on the bonus pay gap figure.

Proportion of employees from total workforce receiving a bonus in 2018.



Our focus

We will continue to focus on ways to ensure there are equal job and career opportunities for everyone, and understand the positive impact a diverse workforce can have attracting and retaining talent.

We have robust recruitment processes, designed to hire the best talent for the job. We use gender neutral and inclusive language in our job adverts and, through our vigorous training of managers, we continue to remove unconscious bias at the interview stage.

We are a performance-driven company and we reward our employees based on the results they deliver and how these are achieved. Our approach to assessing performance and awarding promotions will continue to be a thorough and in-depth process that ensures consistency and sound decision making across the organisation.

Our goal remains that Cerner UK reflects the people and communities we serve, not just because it is the right thing to do, but because gender balance and diversity are critical to us becoming the highest performing organisation we can be.

We still believe we are heading in the right direction and are committed to ensuring that Cerner UK is an employer of choice for all who share our vision of a seamless and connected world where everyone thrives.

.....

I, the undersigned, confirm that the information reported is accurate and meets the requirements of the Equality Act 2010 (Gender Pay Gap Information) Regulations 2017.



Distie Profit, senior director and general manager, Cerner United Kingdom.

To find out more about the gender pay gap and recent legislation, visit:
<https://www.gov.uk/guidance/gender-pay-gap-reporting-overview>