

Cerner UK Gender Pay Gap Report for 2019

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 third year of reporting this information.

As a global health IT company, Cerner contributes to the health and care of people from all corners of the world. To be successful in our mission of relentlessly seeking breakthrough innovation that will shape tomorrow's healthcare, we need to reflect the customers and communities we serve and foster a work environment where associates of all cultures, backgrounds and viewpoints are able to bring their best selves to work and unleash their full potential.

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.

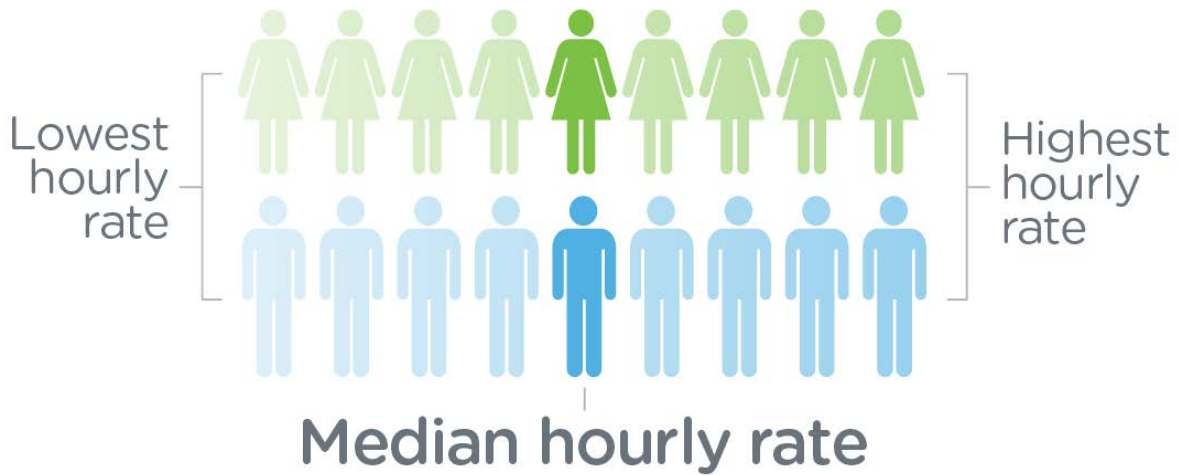
Gender pay gap shows the difference in the average pay between all men and all women, across all jobs, and at all levels within an organisation, irrespective of role or seniority. This is expressed as a percentage of men's earnings, e.g. using the national mean, women earn 17.3% less than men.

The data required for reporting purposes is based on hourly rates of pay at the 'snapshot date' of 5 April 2019. The bonus gap data is based on bonus payments for the 12 months up to 5 April 2019.

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 11.3% (9.2% in 2018), meaning that on average, our female employees' hourly rates of pay are 11.3% lower than our male employees' hourly rates of pay. This is smaller than both the national mean of 16.2% and our industry-specific mean of 13.8%. Our median (middle) gender pay gap is 13.2% (8.5% in 2018). We recognise our mean and median gap has increased from the previous year and we continue to review our processes and policies to determine ways to reduce this going forward, inclusive of ensuring we have best practices in place from across the industry regarding tools and training.

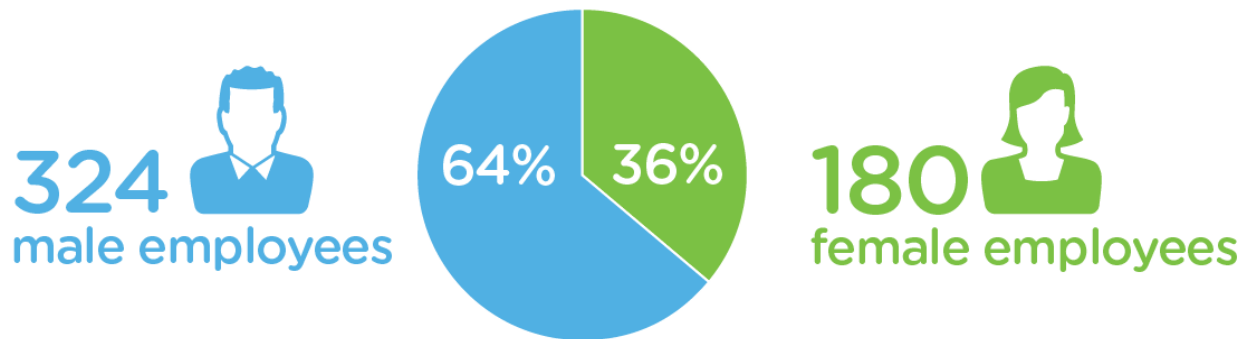
Recruitment and retention of the best talent is critical for the success of our business and we will continue to identify talent and nurture it in all employees so that they can reach their full potential. We also know that having diversity in the business, from entry level to senior positions, will achieve greater gender parity. We've taken positive strides towards this by maintaining equal representation of men and women on our UK Cabinet.

Gender pay gap	Mean (Average)	Median (Middle)
Cerner UK gender pay gap	11.3% Lower	13.2 % Lower
UK gender pay gap (all industries and services) *	16.2% Lower	17.3% Lower
Industry-specific gender pay gap (Information and communication industry) *	13.8% Lower	17.7% Lower

*Source: Office for National Statistics: Annual Survey of Hours and Earnings: 2019 provisional

Our workforce

The total Cerner UK workforce of 504 employees at the 'snapshot date' of 5 April 2019 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).



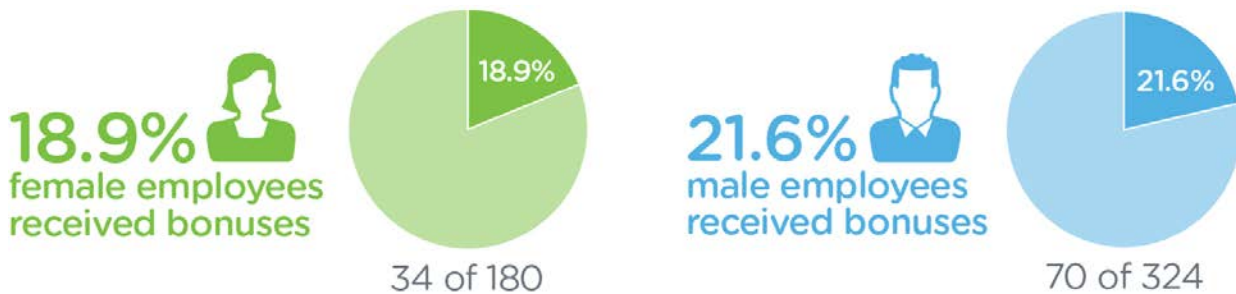
Our pay quartiles in the bottom and bottom middle have closer balances than our overall workforce gender split; our top middle quartile continues to reflect that of our overall workforce; however our top quartile is where we have the biggest discrepancy and have the opportunity to continue to grow our female representation.

Our bonus gap

Gender bonus gap	Mean (Average)	Median (Middle)
Cerner UK gender bonus gap	36.8% Lower	36.7% 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 2019.



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 and inclusive workforce can have in attracting and retaining talent.

We have robust recruitment and interview 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 all interviewers and hiring 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, inclusion and diversity are critical to us becoming the highest performing organisation we can be.

We 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,
VP 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>