

Cerner UK Gender Pay Gap Report for 2020

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 fourth 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 on 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.

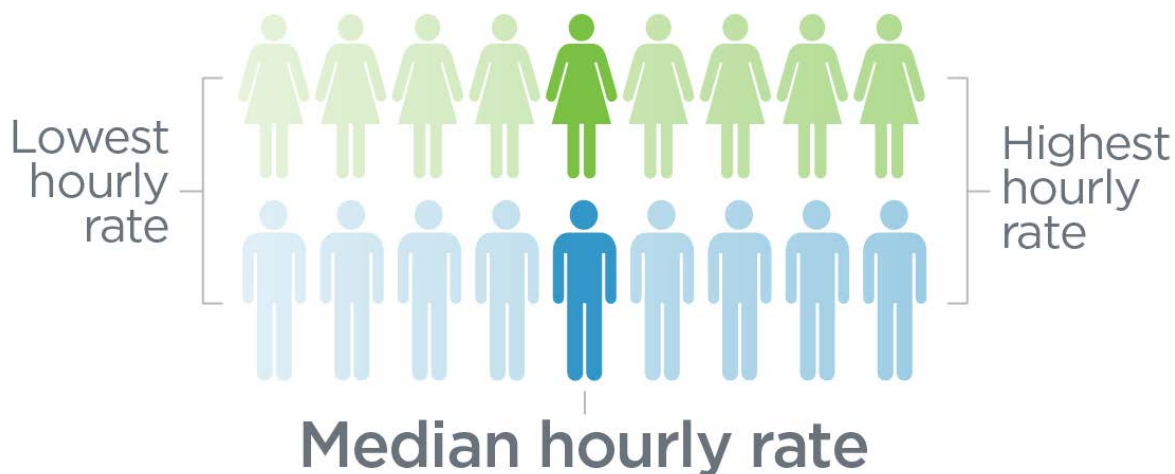
The gender pay gap shows the difference in the average pay between all men and all women, across all jobs, and at all levels within an organisation, irrespective of role or seniority. This is expressed as a percentage of men's earnings, e.g., using the national mean, women earn 17.3% less than men.

The data required for reporting purposes is based on hourly rates of pay at the 'snapshot date' of 5 April 2020. The bonus gap data is based on bonus payments for the 12 months up to 5 April 2020.

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 female's hourly rate of pay compared to the middle male'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

In the UK, Cerner has a mean (average) gender pay gap of 8.3% (down from 11.3% in 2019), meaning that on average, our female employees' hourly rates of pay are 8.3% lower than our male employees' hourly rates of pay. This is smaller than both the national mean of 14.6% and our industry mean of 12.3%. Our median (middle) gender pay gap is 9.3% (down from 13.2% in 2019). We are pleased that our mean and median gaps have reduced from the previous year and we will continue to review our processes and policies to determine further ways to reduce this going forward.

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. Cerner has also elected a Diversity & Inclusion team with international representation who are dedicated to assessing and educating our employees on the benefits of collaborating as a diverse workforce. One focus of this team is

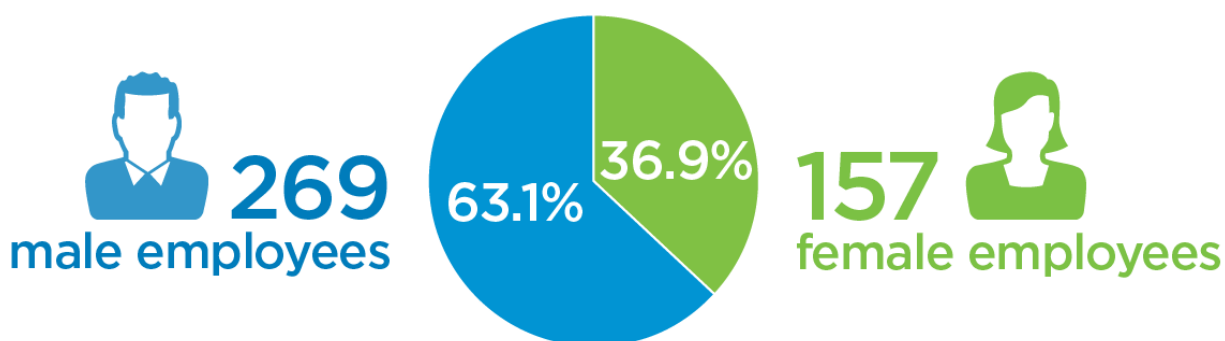
concentrating on the education, inspiration and empowerment of women of all races, nationalities, cultures and religions through mentoring and networking. In the UK specifically, Cerner has partnered with the Shuri Network to support BAME female professionals in the healthcare industry.

Gender pay gap	Mean (Average)	Median (Middle)
Cerner UK gender pay gap	8.3% Lower	9.3% Lower
UK gender pay gap (all industries and services) *	14.6% Lower	15.5% Lower
Industry gender pay gap (Information and communication industry) *	12.3% Lower	15.1% Lower
Industry-specific gender pay gap (Computer programming, consulting & related activities) *	11.8% Lower	15.8% Lower

*Source: Office for National Statistics: Annual Survey of Hours and Earnings: 2020 provisional

Our workforce

The total UK Cerner workforce of 426 employees at the 'snapshot date' of 5 April 2020 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).



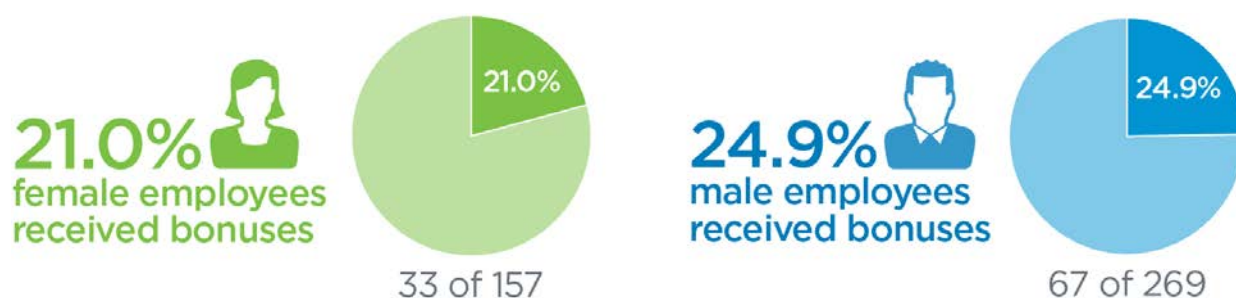
Our pay quartiles in the lower and lower-middle quartiles have closer balance than our overall workforce gender split; our upper-middle quartile closely reflects that of our overall workforce; however, our upper quartile is where we have the biggest discrepancy and have an opportunity to continue to grow our female representation.

Our bonus gap

Gender bonus gap	Mean (Average)	Median (Middle)
Cerner UK gender bonus gap	44.9% Lower	15.4% 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 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 2020.



Our focus

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

We are in the process of undertaking a Job Level Framework programme that will take effect in mid-2021 and aims to, among other things, provide more clarity around career pathways and job alignment.

We will continue to be self-critical relative to promotion pathways and compensation practices to provide transparency and ensure that our employees are well-informed when progressing their careers at Cerner.

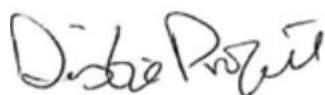
We have robust recruitment and interview processes, designed to limit the opportunity for unconscious bias at all stages of the recruitment process and hire the best talent for the job. We use inclusive and gender-neutral language in our job adverts, as well as promote flexible working considerations to ensure that we are inclusive in our candidate pool. We also enforce vigorous training of all interviewers and hiring managers.

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 in the 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 in the UK is an employer of choice for all who share our vision of a seamless and connected world where everyone thrives.

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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,
Managing Director,
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>