

*The below statement and frequently asked questions (FAQs) are intended to provide an update on the Sterigenics' Vernon facility and for guiding conversations with regards to the Palma lawsuit filed on March 18, 2024, in Los Angeles County Superior Court.*

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### **Statement by Sterigenics on the Los Angeles, California *Palma* Complaint filed on March 18, 2024**

*"Sterigenics empathizes with anyone battling cancer. Sterigenics also is confident that it is not responsible for causing the illnesses alleged in the Palma Complaint. We operate safely to sterilize vital medical products and devices and have consistently complied with and outperformed applicable regulations regarding our emissions. As South Coast Air Quality Management District (SCAQMD) has previously indicated, EtO levels in the surrounding residential communities are within background levels. We believe the science and related evidence will establish that EtO emissions from the Vernon facility have not caused and could not have caused the harms alleged in the Palma lawsuit. Sterigenics' facilities play a critical role in safeguarding public health by providing FDA-mandated sterilization for essential medical devices and supplies that are supplied to nearly 100 healthcare manufacturers, including dozens in the Los Angeles-area, as well as local hospitals. We will vigorously defend our essential and safe operations against these claims."*

### **Background Information and Frequently Asked Questions (FAQs)**

Sterigenics operates a medical products sterilization facility in the City of Vernon, CA using ethylene oxide (EtO).

- The City of Vernon, California, occupies 5.2 square miles within Los Angeles County.
- There are more than 1,800 businesses located in the City of Vernon, which account for 55,000 jobs within the city's 5.2-mile boundary.
- The City of Vernon is an economic center with close proximity to Downtown LA, the Ports of Los Angeles and Long Beach and the Alameda transportation corridor. It is situated within 4 miles of cargo and commuter railways, within 3 miles of four major interstates and within 20 miles of three airports, including Los Angeles International airport.

#### **1. What is the nature of the *Palma* lawsuit filed in Los Angeles County Superior Court?**

- The Complaint alleges that EtO emissions from Sterigenics' Vernon facility has caused twelve people who live in the surrounding area to contract various types of cancer.
- Sterigenics denies the claims made in the Complaint and will vigorously defend its essential and safe operations against this lawsuit.
- Because we are now engaged in active litigation, we will only disclose publicly available information.



- We will not speculate on future outcomes of any litigation as each case is different and has its own unique circumstances.

## **2. How does this situation compare to actions taken related to Sterigenics' facilities in Illinois and Georgia?**

- The *Palma* lawsuit is unrelated to actions in Illinois and Georgia.
- Each tort lawsuit relating to Sterigenics' EtO facilities is dependent on the unique allegations and circumstances of each case and jurisdiction.
- We also believe it is inappropriate to extrapolate Sterigenics' EtO settlements in Illinois and Georgia to the cases that are now pending against Sterigenics in Georgia, New Mexico and California or additional cases that may be asserted in the future. The Willowbrook and Atlanta Settlements were driven by dynamics unique to the cases that were settled and thus should not give rise to presumptions that the Company will settle additional EO tort lawsuits and/or that any such settlements will be for comparable amounts.
- Potential trial and settlement outcomes can vary widely based a host of factors. EtO tort lawsuits will be presided over by different judges, tried by different counsel presenting different evidence and decided by different juries. The substantive and procedural laws of jurisdictions vary and can meaningfully impact the litigation process and outcome of a case. Each plaintiff's claim involves unique facts and evidence including the circumstances of the plaintiff's alleged exposure, the type and severity of the plaintiff's disease, the plaintiff's medical history and course of treatment, the location of and other factors related to the plaintiff's real property, and other circumstances. Thus, a judgment rendered, or settlement reached in one case is not necessarily representative of potential outcomes of other seemingly comparable cases.

## **3. Do you expect more lawsuits to be filed in California?**

- As we have repeatedly disclosed in our securities law filings and elsewhere, additional EtO tort lawsuits may be filed against Sterigenics relating to its past and present EtO facilities in the United States.
- Based on our view of the strength of the science and related evidence that emissions of EtO from Sterigenics' operations have not caused and could not have caused the harms alleged in these lawsuits, we believe these cases are without merit and intend to defend ourselves vigorously on the merits.

## **4. Is the Sterigenics' Vernon facility safe?**

- Yes. The Vernon facility operates safely and consistently complies with applicable laws and regulations governing emissions.
- Sterigenics has voluntarily installed enhancements at the Vernon facilities to further reduce EtO emissions beyond already safe, permitted levels.
- As South Coast Air Quality Management District (SCAQMD) has previously indicated, EtO levels in the surrounding residential communities are within background levels.
- Sterigenics remains committed to operating safe facilities that protect patients, employees and communities.



#### **5. Is the Vernon facility regulated?**

- Yes, the Vernon facility and its operations are subject to stringent regulatory oversight by several federal and state agencies, including the US Environmental Protection Agency, US Food & Drug Administration, Occupational Safety and Health Administration, US Department of Transportation, US Department of Homeland Security, the City of Vernon Health Department and the Los Angeles County Fire Department.
- Sterigenics' Vernon facility is subject to routine audits over 30 times per year by these agencies and its customers.
- The facility also operates under Air Quality Permits issued by the South Coast Air Quality Management District (SCAQMD) pursuant to state environmental regulations and standards.
- The facility has consistently complied with the requirements of its SCAQMD Air Quality Permits and other applicable federal, state and local requirements.
- According to SCAQMD, EtO monitoring data shows EtO levels in the surrounding communities to be within background levels (i.e., at levels that are generally present in the outdoor air and that are not linked to the Vernon facility).

#### **6. What is the South Coast Air Quality Management District (SCAQMD)?**

- The South Coast AQMD is the regulatory agency responsible for improving air quality for all of Orange County, California and the urban portions of Los Angeles, Riverside and San Bernardino counties.
- SCAQMD is responsible for controlling emissions primarily for stationary sources of air pollution.
- Sterigenics has a long history of cooperation with South Coast Air Quality Management District (SCAQMD). SCAQMD is responsible for developing plans and regulations designed to achieve health-based air quality standards. Sterigenics works with SCAQMD to address any concerns SCAQMD has had about the Vernon facility.
- In March and April 2022, following the U.S. EPA's review of national EtO emissions, SCAQMD conducted an evaluation of the Sterigenics facility.

#### **7. Is there any publicly available information on emissions from the Vernon facility?**

- Yes, Sterigenics voluntarily submitted emissions data to the EPA as part of the Toxic Release Inventory (TRI) for numerous years up until 2019.
- In 2023, the EPA began mandatory reporting of TRI data by all EtO sterilizers, which Sterigenics fully complies.
- We consistently comply with federal and state regulations and our permits.

#### **8. Why was the Vernon facility not included on the EPA list of high-risk sterilizers announced in August 2022?**

- The EPA's list of high-risk sterilizers was based on a conservatively modeled risk assessment of exposure to EtO concentrations expected to be found near commercial sterilizers over the course of a lifetime (assuming maximum exposure for 24 hours a day for 70 years).



- The EPA identified as “high-risk” those sterilizers that the modeling showed contribute to a risk of 100 additional cancer cases per 1 million people.
- The Vernon facility did not exceed the EPA risk threshold based on that modeling exercise and as such was not identified as a high-risk sterilizer.

**9. How does Sterigenics’ previously announced program of general facility enhancements impact the Vernon facility?**

- Sterigenics has voluntarily installed emissions control enhancements at the Vernon facility that reduced EtO emissions beyond already safe, permitted levels.
- Sterigenics has implemented negative pressure technology at the Vernon facility to capture and treat fugitive emissions.
- Sterigenics remains committed to completing further planned Vernon facility enhancements.

**10. How important is the Sterigenics Vernon facility to the supply chain for sterile medical devices?**

- The Vernon facility uses EtO to sterilize over 45 million essential medical products and devices annually including a variety of essential medical products, including surgical kits, catheters, cardiac implants, stents and IV sets.
- EtO is the only sterilization method that satisfies FDA-approved sterility validations for many critical medical devices. According to the FDA, approximately 50% of all medical products that require sterilization in the US are sterilized using EtO.
- The Vernon facility is a critical part of the supply chain that ultimately develops, manufactures, and delivers sterile medical products for patient care.
- Sterigenics’ Vernon facility serves customers ranging from large global medical device / pharma companies to small niche, start-up companies, as well as nearly 100 healthcare manufacturers, including over 50 California-based customers, including local hospitals and medical centers.