

## **Shareholder Alert: Bernstein Litowitz Berger & Grossmann LLP Announces the Filing of Securities Class Action Lawsuit Against Sotera Health Company**

New York, NY – (Business Wire) – January 24, 2023 – Today, prominent investor rights law firm Bernstein Litowitz Berger & Grossmann LLP (“BLB&G”) filed a class action lawsuit in the U.S. District Court for the Northern District of Ohio alleging violations of the federal securities laws by Sotera Health Company (“Sotera” or the “Company”), certain of the Company’s current and former senior executives, members of the Company’s Board of Directors, Sotera’s private equity shareholders, and the underwriters of the November 20, 2020, initial public offering (“IPO”) and March 18, 2021, secondary public offering (“SPO”) of Sotera stock. The action is brought on behalf of all persons or entities that purchased or otherwise acquired Sotera common stock: (i) pursuant and/or traceable to the Company’s IPO conducted on or around November 20, 2020; (ii) pursuant and/or traceable to the Company’s SPO conducted on or around March 18, 2021; and/or (iii) between November 20, 2020 and September 19, 2022, inclusive (the “Class Period”).

BLB&G filed this action on behalf of its clients, Oakland County Employees’ Retirement System and Oakland County Voluntary Employees’ Beneficiary Association, and the case is captioned *Oakland County Employees’ Retirement System and Oakland County Voluntary Employees’ Beneficiary Association v. Sotera Health Company*, No. 23-cv-143 (N.D. Ohio). The complaint is based on an extensive investigation and a careful evaluation of the merits of this case. A copy of the complaint is available on BLB&G’s website by clicking [here](#).

### **Sotera’s Alleged Fraud**

Sotera provides sterilization solutions, lab testing, and advisory services for the healthcare and pharmaceutical industries. Through its Sterigenics brand, Sotera provides sterilization services for the medical device and pharmaceutical markets. The Company uses Ethylene Oxide (“EtO”) processing as one of three methods to sterilize products. EtO processing is a gas sterilization process in which pallets of packaged goods are loaded into a chamber that is then injected with EtO gas to penetrate the packaging. That process emits toxic fumes which must be filtered before being released into the air. Sotera, through its Sterigenics business, conducts or has conducted EtO processing at facilities throughout the United States, including Illinois, California, Georgia, and New Mexico, among other places.

Beginning in September 2018, cancer-stricken plaintiffs filed a surge of lawsuits in Illinois against Sotera, alleging that emissions from the Company’s sterilization facility had caused their cancer. On September 30, 2019, after significant pressure from the public and action by Illinois regulators, Sotera announced the closure of its Illinois facility. Beginning in August 2020, cancer-stricken plaintiffs living near a Sterigenics facility in Georgia filed lawsuits similar to those filed in Illinois. Despite closing its Illinois facility and assuring investors and the public of the Company’s purportedly effective safeguards to limit EtO emissions, Sotera continued to emit dangerous levels of EtO gas from other facilities during the Class Period.

The complaint alleges that, throughout the Class Period, and in connection with the IPO and the SPO, Sotera made false and misleading representations concerning its emissions control systems and exposure to liability from lawsuits for the Company's failure to limit harmful EtO emissions. The Company represented that it had "a proactive [environmental, health and safety] program and a culture of safety and quality." In addition, Sotera stated that it employed adequate and effective safeguards to control EtO emissions. Moreover, Sotera and its executives vehemently denied allegations that the Company's EtO emissions from its sterilization facilities caused cancer and other severe health issues in people living in the communities near those facilities.

In truth, however, Sotera and its senior executives and controlling shareholders knew, or at a minimum, recklessly disregarded, that for years the Company failed to employ effective emissions control systems to prevent the release of excessive amounts of toxic EtO gas from its sterilization facilities. Those deficiencies exposed people living in the surrounding communities to a significantly increased risk of cancer and subjected Sotera to an increased risk of liability from hundreds of EtO-related lawsuits. As a result of these misrepresentations, Sotera stock traded at artificially inflated prices throughout the Class Period.

The truth began to emerge on September 19, 2022, when a jury in the first lawsuit arising from Sotera's EtO emissions to go to trial, captioned *Kamuda v. Sterigenics U.S., LLC*, No. 18 L 10475 (Ill. Cir. Ct.) ("*Kamuda*"), found Sotera liable for the plaintiff's cancer. The jury cited Sotera's and Sterigenics' "willful and wanton" misconduct in not preventing toxic EtO emissions, and failing to warn about the severe health hazard posed by the Company's Illinois facility. As a result of these disclosures, Sotera's stock price declined by \$4.90 per share, or 33.3%.

Later that day, after the market closed, news reports revealed that the jury verdict in the *Kamuda* case was supported by "[e]mails and corporate documents" that showed "the companies knew long ago" about the toxic effects of EtO. Despite that knowledge, Sotera "delayed installing pollution-control equipment and attempted to undermine federal regulations that would require costly improvements at sterilization facilities." The next day, on September 20, 2022, analysts at Goldman Sachs downgraded Sotera's stock, noting a significantly greater risk to Sotera in future EtO litigation due to facts that emerged in the *Kamuda* case and "possible bands of outcome being so open ended that it creates a material overhang on the stock for the foreseeable future." As a result of these disclosures, Sotera's stock price declined by an additional \$1.63 per share, or 16.6%.

Then, on September 21, 2022, analysts at JP Morgan downgraded Sotera's stock after finding that "investors are likely to price in this unprecedented ruling as a higher probability of a larger settlement or subsequent payouts of the 700+ remaining individual lawsuits, which [Sotera] could potentially not afford." As a result of these disclosures, Sotera's stock price declined by an additional \$0.88 per share, or 10.7%.

If you wish to serve as Lead Plaintiff for the Class, you must file a motion with the Court no later than March 27, 2023, which is the first business day on which the U.S. District Court for the

Northern District of Ohio is open that is 60 days after the publication date of January 24, 2023. Any member of the proposed Class may seek to serve as Lead Plaintiff through counsel of their choice, or may choose to do nothing and remain a member of the proposed Class.

If you wish to discuss this action or have any questions concerning this notice or your rights or interests, please contact Scott R. Foglietta of BLB&G at 212-554-1903, or via e-mail at [scott.foglietta@blbglaw.com](mailto:scott.foglietta@blbglaw.com).

### **About BLB&G**

BLB&G is widely recognized worldwide as a leading law firm advising institutional investors on issues related to corporate governance, shareholder rights, and securities litigation. Since its founding in 1983, BLB&G has built an international reputation for excellence and integrity and pioneered the use of the litigation process to achieve precedent-setting governance reforms. Unique among its peers, BLB&G has obtained several of the largest and most significant securities recoveries in history, recovering over \$37 billion on behalf of defrauded investors. More information about the firm can be found online at [www.blbglaw.com](http://www.blbglaw.com).

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