Stericycle®
ExpertSOLUTIONS™

RECALL INDEX

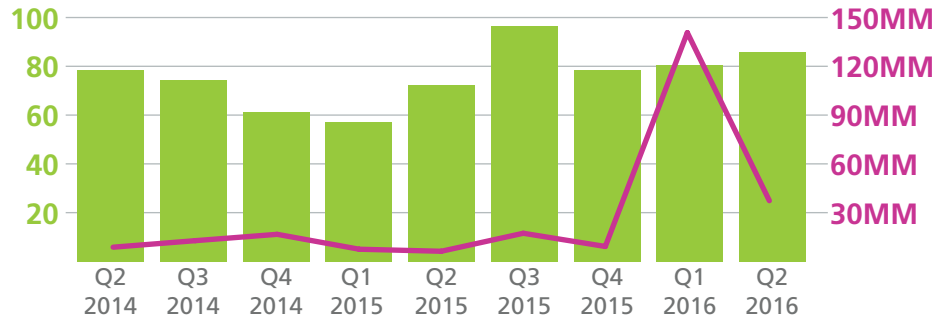
Q2
2016

Consumer Products FURNISHINGS IN THE HOT SEAT

Consumer product recalls increased by just 8%, but that rise represents the second highest number of recalls since Q1 2011. Recalled units were higher than any quarter from 2005-2015, despite dropping 74% from the previous quarter.

82% *of all recalled units were in the home furnishings & fixtures category.*

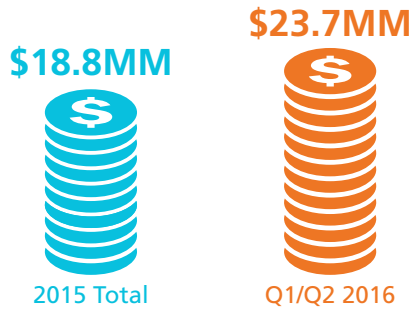
CONSUMER RECALLS & UNITS



TOP HAZARDS BASED ON RECALLS

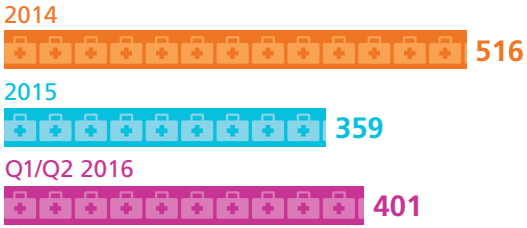
- Falling **18.6%**
- Fire **18.6%**
- Injury **11.6%**
- Laceration **10.5%**

FINES ISSUED BY CPSC



Fines in Q1 and Q2 2016 have already reached **126%** of all fines in 2015.

REPORTED CONSUMER INJURIES

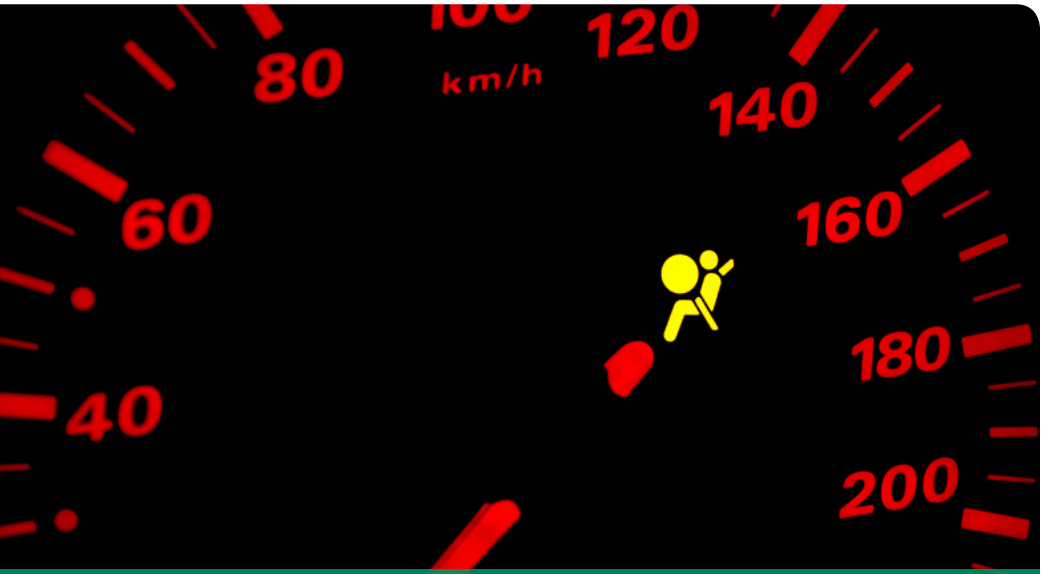


CONNECTING THE DOTS

1. There were close to 5,000 reported incidents – nearly three and a half times higher than Q1. However, injuries decreased by 22% to 176.
2. Nearly 49% of recalls were due to fall, fire, and injury hazards.
3. Full refunds and replacements were the top remedies. 61.6% of recalls listed at least one of the two.

Automotive EQUIPMENT RECALLS IN THE FAST LANE

NHTSA recalls rose 40% over the previous quarter, while recalled units increased 100% to more than 39.6 million, making Q2 the second highest quarter since at least 2000 for both measurements.

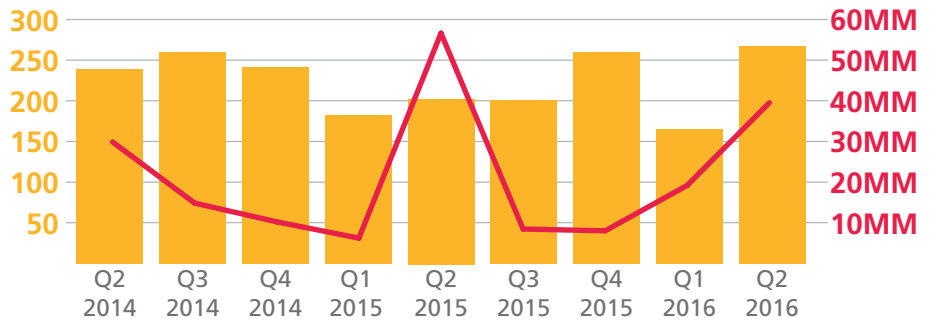


14.2MM *recalled units were in the equipment category, surpassing the previous quarter to reach their second highest level ever.*

CONNECTING THE DOTS

1. Airbags were the top cause of recalled units at 89%.
2. Five automakers accounted for 82% of recalled automobile units.
3. Automobile and Equipment recalls accounted for 98.5% of NHTSA recalls and 99.9% of recalled VINs.

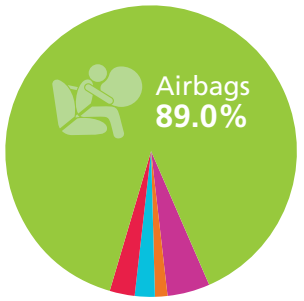
NHTSA RECALLS & UNITS



NHTSA PRODUCT TYPE BY RECALLED UNITS

- Automobile **64.1%**
- Equipment **35.9%**
- Child Seat **<0.1%**
- Tire **<0.1%**

NHTSA RECALL CATEGORIES BASED ON VINS



- Power Train **2.8%**
- Seat Belts **2.3%**
- Electrical System **1.2%**
- Other **4.7%**

TOP CAUSES FOR AUTO RECALLS BY QUARTER

Q3 2014	Q4 2014	Q1 2015	Q2 2015	Q3 2015	Q4 2015	Q1 2016	Q2 2016
Electrical System	Airbags	Airbags	Airbags	Airbags	Visibility	Airbags	Airbags

Medical Device CLASS CONSISTENCY

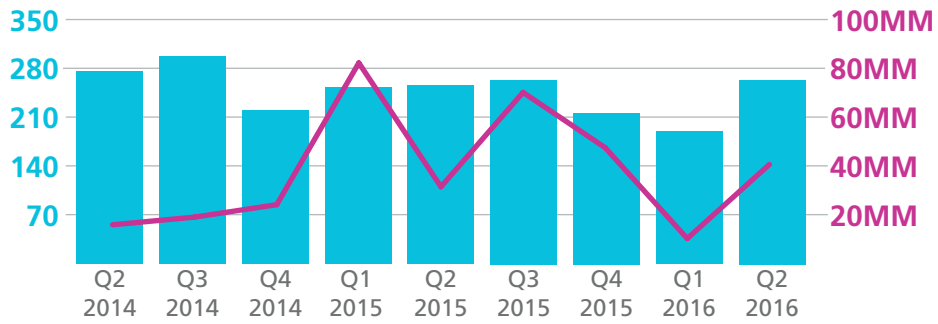
In contrast with Q1's plunge, the number of recalls increased 38%, making it a tie for highest quarter since Q3 2014. Recalled medical device units were three times higher in Q2, but were still 30% lower than the quarterly average in 2015.

99% *of recalled units were considered Class II, continuing a trend that began in Q1 2015.*

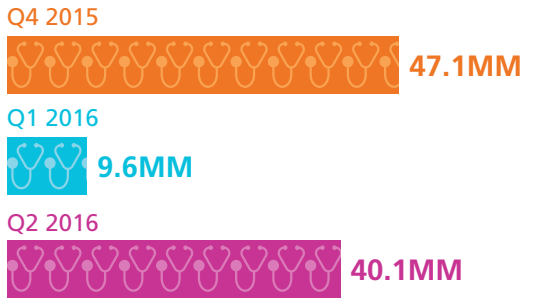
CONNECTING THE DOTS

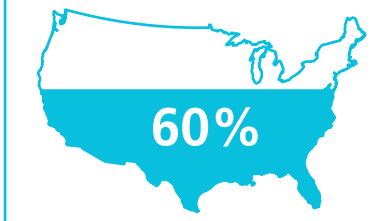
1. The top three causes based on recalls were software, mislabeling, and quality issues, making up a combined 51% of recalls.
2. Quality issues, out of specification, and sterility concerns made up 87.8% of recall reasons based on units.
3. 49% of med device recalls were international, the lowest level since Q4 2013.

MED DEVICE RECALLS & UNITS



CLASS II UNITS RECALLED BY QUARTER





OF MED DEVICE RECALLS WERE NATIONWIDE

TOP MED DEVICE RECALL CAUSES BASED ON UNITS

39.7%	26.0%	22.2%	4.3%	3.7%
Quality Issue	Out of Specification	Sterility Issue	Mislabeling	Manufacturing Defect

Food & Beverage CONTAMINATION CONCERNS

Recall activity in the food industry increased across the board in Q2, with FDA recalls up 82% and USDA recalls up 12%. Each regulatory body saw one large recall that caused recalled units to reach new records.

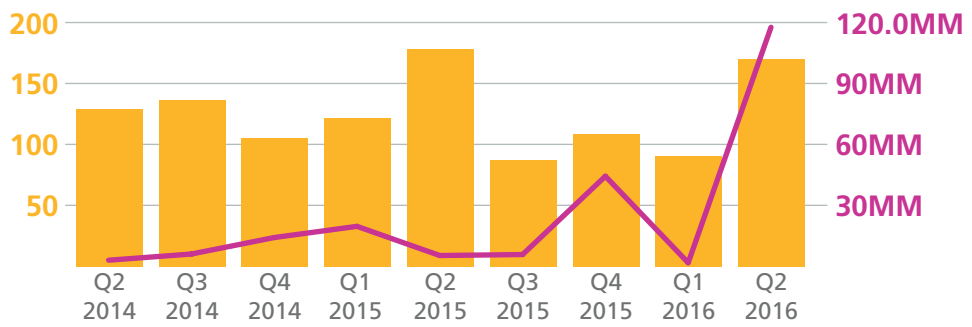
Click here to get more information about food contamination in our Q2 2016 Recall Industry Spotlight

88.8% *of USDA recalled pounds were due to contamination, compared to 13% in 2014 and 23% in 2015.*

CONNECTING THE DOTS

1. One major recall pushed quality issues to the top cause of FDA recalls.
2. Undeclared allergen recalls increased 78%, while units rose 225%. Despite this jump, it is only the 4th leading recall cause based on units.
3. Due to one large recall, USDA recalls involving multiple proteins accounted for 88% of recalled pounds.

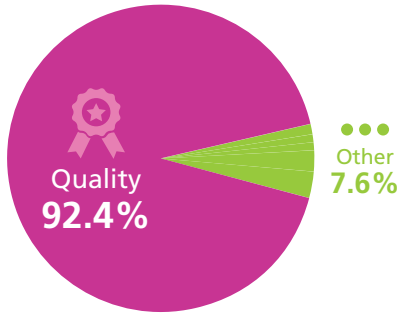
FDA FOOD RECALLS & UNITS



TOP FDA FOOD CATEGORY BASED ON UNITS

- Vegetables **88.3%**
- Fruit **4.1%**
- Supplements **2.5%**
- Baking Needs **2.3%**

TOP FDA FOOD RECALL CAUSES BASED ON UNITS



IMPACT OF A SINGLE PRODUCE RECALL

Due to a listeria outbreak

2 Countries Affected

8 Reported Illnesses

42 Brands Affected

Stericycle ExpertSOLUTIONS & the Recall Index Explained

Stericycle ExpertSOLUTIONS helps partners minimize risk to the public and to their company brand by executing and planning for product recalls efficiently, effectively, and compliantly. Each quarter, we analyze cumulative recall data across six product categories. This helps our partners navigate the regulatory environment and identify trends.

How the Stericycle Recall Index is Compiled

The Stericycle Recall Index gathers and tracks cumulative data from the four primary federal agencies that oversee recalls in the United States: the Consumer Product Safety Commission (CPSC), the Food and Drug Administration (FDA), the Food Safety and Inspection Service (FSIS) of the United States Department of Agriculture (USDA), and the National Highway Traffic Safety Administration (NHTSA).

FDA Data

To track trends in food, pharmaceutical, and medical device recalls, the Stericycle Recall Index uses information publicly available in news releases posted on the FDA website. For additional insight into recalls governed by the FDA, Stericycle collects and analyzes data from the agency's weekly enforcement reports, which provide additional details including recall class, quantity of units affected, and number of reported incidents.

CPSC Data

For further insight into consumer product recall trends, Stericycle analyzes data from CPSC recall announcements. When compiling statistics and analyzing trends for consumer product recalls, the Stericycle Recall Index uses standard product categories and hazards recognized by the CPSC.

USDA Data

For additional insight into food recall trends involving meat, poultry, and egg products, the Stericycle Recall Index collects and analyzes data from recall announcements posted on the USDA's FSIS website. Statistics and trends are compiled using standard product categories, classifications, and reasons for recalls as recognized by the USDA.

NHTSA Data

To understand trends in the automotive industry, the Stericycle Recall Index analyzes data from NHTSA reports on recalls of autos, child seats, equipment, and tires.

Terminology

Announced recalls represent those recalls documented in news releases published on agency websites. Enforced recalls refer to those recalls documented in weekly FDA enforcement reports that are summarized based on the FDA assigned Event ID. Their documentation can lag behind announced recalls by weeks or even months because the recall process may take time to complete.

A Class I recall, according to the FDA, is a situation in which there is a reasonable probability that the product will cause serious adverse health consequences or death. A Class II recall is a situation in which the product could cause temporary or medically reversible adverse health consequences or where the probability of serious adverse health consequences is remote. The FDA defines a Class III recall as a situation in which the product is not likely to cause adverse health consequences.