Stericycle®
ExpertSOLUTIONS™

RECALL INDEX

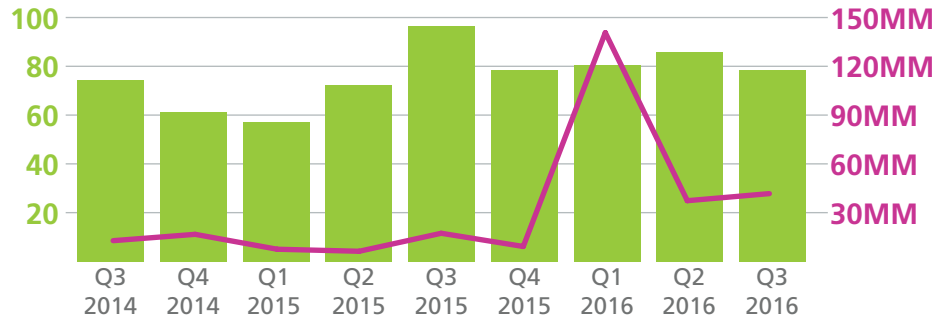
Q3
2016

Consumer Products RECALL CURVEBALL

Consumer product recalls decreased slightly in Q3 to 78. But recalled units increased 12% to nearly 41.3 million. Aside from Q1 2016 when a single propane gas issue caused a spike in recalled units, this is the highest level since Q3 2004.

37.2% *of recalls were in the sports / recreational activities & equipment category.*

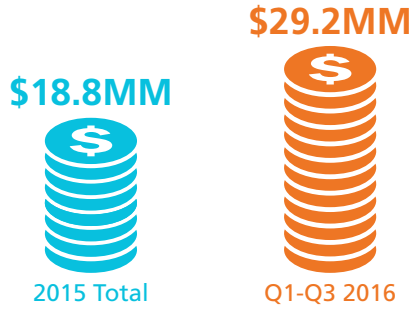
CONSUMER RECALLS & UNITS



TOP HAZARDS BASED ON UNITS

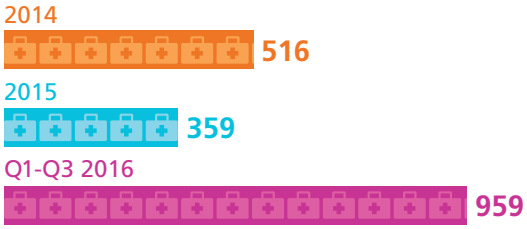
- Burn **70.4%**
- Shock / Electrocution **13.1%**
- Laceration **8.7%**
- Fire **2.8%**

FINES ISSUED BY CPSC



Fines from Q1 through Q3 2016 have reached **156%** of all fines in 2015.

REPORTED CONSUMER INJURIES



CONNECTING THE DOTS

1. Burn hazards accounted for 70.4% of recalled units.
2. 62.8% of all CPSC recalls listed either a refund or replacement as the remedy.
3. There were 1,916 incidents reported – a 61 percent decrease over Q2. However, there were 558 injuries – an increase of 217%.

Automotive BUCKLING UP FOR SEAT BELT RECALLS

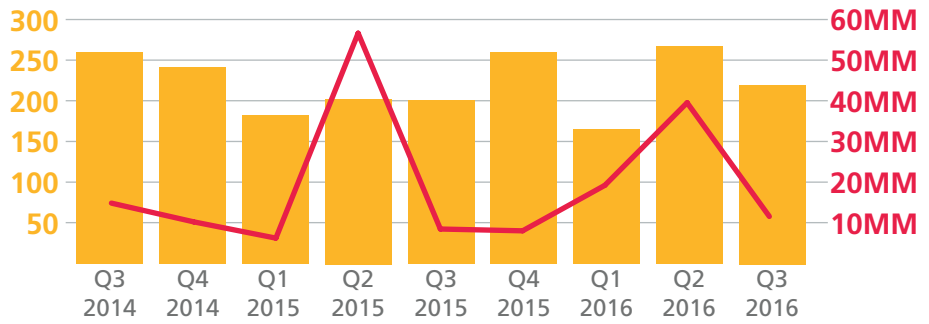
Recalls declined 17% from Q2 to Q3 to 219, in line with the quarterly average in 2015. Recalled units were down even further – by 69%. While that marks the lowest quarter so far this year, it is still higher than three of the four quarters in 2015.

41% *of NHTSA recalled units were seat belt issues.*

CONNECTING THE DOTS

1. 90.4% of recalls were for automobiles.
2. 17.8% of NHTSA recalls were due to equipment issues, which is consistent with Q1 and Q2.
3. Five companies accounted for 84% of recalled automobile units.

NHTSA RECALLS & UNITS



NHTSA PRODUCT TYPE BY RECALLED UNITS

- Automobile **94.7%**
- Equipment **4.5%**
- Child Seat **0.6%**
- Tire **0.2%**

NHTSA RECALL CATEGORIES BASED ON UNITS

- Seat Belts **5,081,983**
- Latches/Locks/Linkages **2,110,335**
- Power Train **1,061,342**
- Visibility **971,987**

TOP CAUSES FOR AUTO RECALLS BY QUARTER

Q4 2014	Q1 2015	Q2 2015	Q3 2015	Q4 2015	Q1 2016	Q2 2016	Q3 2016
Airbags	Airbags	Airbags	Airbags	Visibility	Airbags	Airbags	Seat Belts

Pharmaceuticals STERILITY & SPECIFICATION SNAFUS

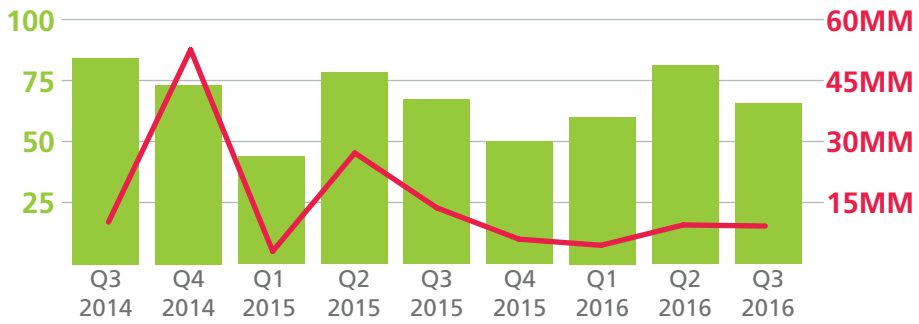
Pharmaceutical recalls decreased by 20% in Q3 to 65 recalls. While this is a decline from Q2, it is higher than Q1 2016 and the average quarter in 2015. Recalled units were consistent with the previous quarter, dropping just 3%.

*Failed specifications and sterility issues accounted for **63.9%** of recalled units in Q3.*

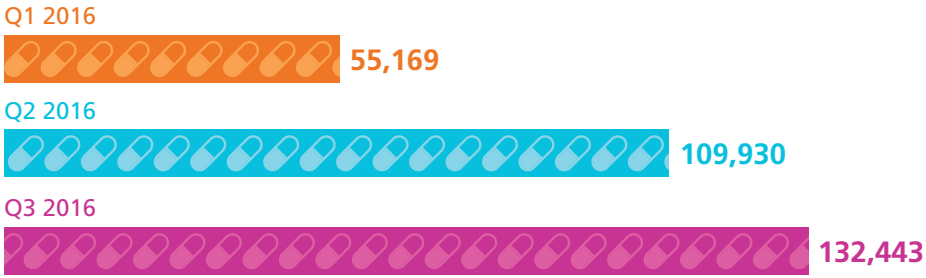
CONNECTING THE DOTS

1. Class III situations accounted for 57% of recalled units, a reverse from Q2 and the historical trend when Class II made up the largest percentage.
2. Average recall size has increased throughout the year, climbing to nearly 132,500 units in Q3 – the highest since Q3 2015.
3. 10 companies experienced more than one recall, a decrease from Q2 but higher than Q1 and the average from 2015.

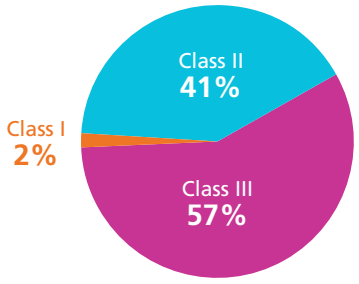
PHARMACEUTICAL RECALLS & UNITS

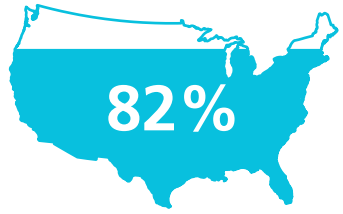


AVERAGE NUMBER OF UNITS PER PHARMACEUTICAL RECALL



% OF PHARMACEUTICAL RECALLS BY CLASS





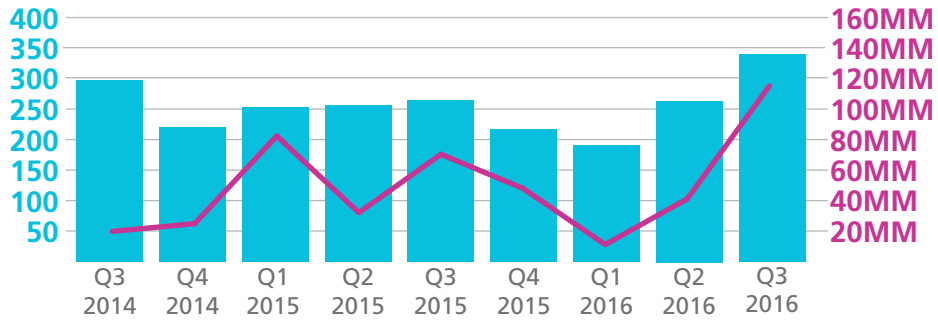
OF PHARMACEUTICAL RECALLS WERE NATIONWIDE

Medical Device QUALITY QUESTIONS

Medical device recalls reached their highest level since at least 2000, rising by 29% over the previous quarter to 339. Recalled units also increased 187% to nearly 116 million. That's the highest quarter since Q3 2012.

59.1% *of all recalled units were due to quality issues.*

MEDICAL DEVICE RECALLS & UNITS

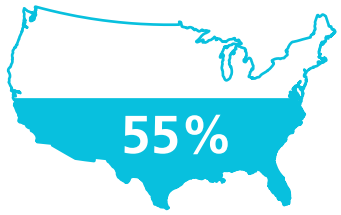


CLASS II UNITS RECALLED BY QUARTER

Q1 2016
9.6MM

Q2 2016
40.1MM

Q3 2016
115.7MM



OF MEDICAL DEVICE RECALLS WERE NATIONWIDE

CONNECTING THE DOTS

1. Software and mislabeling were the cause for 48.1% of medical device recalls.
2. 47% of medical device recalls were international, the lowest level in the last four years.
3. 50 companies experienced more than one recall in Q3, the highest number since Q1 2014.

TOP MEDICAL DEVICE RECALL CAUSES BASED ON UNITS

59.1%
Quality Issue

26.9%
Mislabeling

4.6%
Leakage

Food & Beverage ANOTHER COURSE OF CONTAMINATION

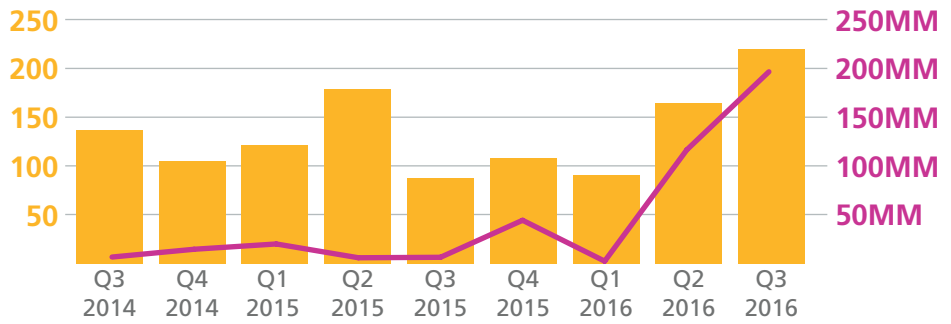
FDA recalls increased 34% from Q2 to Q3 to 219 – the highest since Q1 2010. Recalled units are up 69% to more than 199.4 million in Q3, which passed the record set the previous quarter. USDA recalls are up 36% to 38, while recalled pounds are down 94% to more than 3.1 million. Although a sharp drop from Q2, this is in line with recent trends.

89.1% *of FDA recalled units were due to bacterial contamination.*

CONNECTING THE DOTS

1. Vegetables were the top category, accounting for 86.5% of all FDA recalled units. Four of the five largest recalls in Q3 were for vegetables.
2. 50.9% of USDA recalled pounds were poultry.
3. 15% of FDA food recalls were international, the highest percentage since at least 2012.

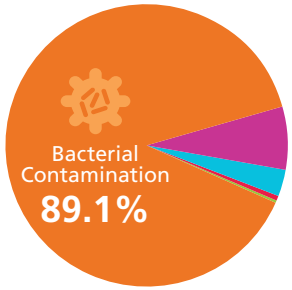
FDA FOOD RECALLS & UNITS



TOP FDA FOOD CATEGORY BASED ON UNITS

- Vegetables 86.5%
- Baked Goods 4.9%
- Prepared Foods 3.7%
- Nuts / Seeds 3.0%

TOP FDA FOOD RECALL CAUSES BASED ON UNITS



- Undeclared Allergen 7.1%
- Quality Issue 3.1%
- Foreign Material 0.6%
- Mislabeling 0.1%

TOP USDA CATEGORY BASED ON POUNDS

- Poultry 50.9%
- Multiple 39.2%
- Beef 5.1%
- Pork 3.6%

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 five 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.