Consumer Products

Consumer product recalls rose 25% to 74 - the highest number since Q3 2016. Recalled units increased 22.5 times to 107.4 MM, more than any quarter since Q1 2016 and the fourth highest since at least 1997.

CONNECTING THE DOTS
1. Due to three large recalls, the top three product categories based on units were heating, cooling & ventilating equipment; miscellaneous products; and home furnishings & fixtures, making up a combined 94.4% of recalled units.

2. The top product category based on recalls for the seventh quarter in a row was sports/recreational activities & equipment with 25 recalls.

3. Incidents increased 85.1% to 1,657, which is still the second lowest since Q1 2016. Injuries decreased 36% to 73, the lowest since Q2 2015.

FINING OFF
For the first time since Q4 2013, there were no fines reported by the Consumer Product Safety Commission.

TOP HAZARDS BASED ON RECALLS
- Machine Failure: 16.2%
- Fire: 14.9%
- Falling: 13.5%
- Fails Flammability Standards: 12.2%
- Laceration: 6.8%

AVG. FINES PER QUARTER ISSUED BY CPSC
- 2015 AVG.: $4.7MM
- 2016 AVG.: $9.3MM
- 2017 AVG.: $5.3MM

AVERAGE REPORTED CONSUMER INJURIES BY QUARTER
- 2015 AVG.: 89.75
- 2016 AVG.: 261.25
- 2017 AVG.: 174
Automotive

NHTSA recalls increased 8% to 213 – the highest quarter of 2017 and in line with the average over the last 18 quarters. Recalled NHTSA units rose 55% to 14.7 MM – greater than any quarter since Q2 2016 and higher than 9 of the last 12 quarters.

**AIRBAG RECALLS DEFLATE**

Airbags were the cause of 9.9% of NHTSA recalled units, a stark change from 46.3% in Q3 2017 and the lowest percentage since Q4 2016.

**CONNECTING THE DOTS**

1. Equipment was the top cause of both NHTSA recalls and recalled units. While this is common for recalls, equipment has not been the top cause of recalled units since Q3 2013.

2. Automobiles accounted for 91.1% of NHTSA recalls and 81% of recalled units, up from 64.6% of recalled units in Q3 2017.

3. 57.6% of recalled automobile VINs were issued by 4 companies.

**TOP CAUSES OF RECALLED UNITS BY QUARTER**

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Units</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1 2016</td>
<td>60MM</td>
</tr>
<tr>
<td>Q2 2016</td>
<td>50MM</td>
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<tr>
<td>Q3 2016</td>
<td>40MM</td>
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<tr>
<td>Q4 2016</td>
<td>30MM</td>
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<tr>
<td>Q1 2017</td>
<td>20MM</td>
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<tr>
<td>Q2 2017</td>
<td>10MM</td>
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</tbody>
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**NHTSA RECALLS & UNITS**

**NHTSA RECALLED UNITS BY PRODUCT TYPE**

- **Equipment**: 17.8%
- **Automobile**: 81%
- **Tire**: 1.2%
- **Airbags**: 9.9%
- **Seat Belts**: 1.2%

**NHTSA RECALL CATEGORIES BASED ON UNITS**

- **Equipment**: 4,620,427
- **Power Train**: 1,828,796
- **Airbags**: 1,451,039
- **Seats**: 1,426,093

**AIRBAG RECALLS DEFLATE**

Airbags were the cause of 9.9% of NHTSA recalled units, a stark change from 46.3% in Q3 2017 and the lowest percentage since Q4 2016.
Pharmaceutical recalls declined 22% in Q4 to 69 – the lowest since Q3 2016. Although a decline from the last four quarters, this total is in line with the quarterly average from 2015-2017. Recalled units dropped 98% to just over 3.2 MM- less than any quarter since Q1 2015 and the third lowest since 2005.

**FAILURE FINISHES FIRST**

The top cause based on recalled units was failed specifications, accounting for 78.9%.

**CONNECTING THE DOTS**

1. Failed specifications also took the top spot based on number of recalls for the sixth consecutive quarter.
2. The average recall size was just 46,615 units - the lowest since Q1 2015.
3. Despite the drastic drop in units and recall size, the number of recalled Class I units more than doubled from last quarter - to just under 345,000.
Medical Device

Medical device recalls declined 9% to 152 - the lowest quarter since Q4 2011. The number of units recalled decreased 45% to 37.4 MM - lower than 8 of the last 11 quarters.

MANUFACTURING MISHAP
Manufacturing defects accounted for 40.6% of recalled units, breaking a 3 quarter streak for sterility. This is mostly due to one large recall.

CONNECTING THE DOTS
1. The average recall size was 245,862 – a stark drop from last quarter’s 407,256. However, it is higher than 16 of the last 20 quarters.
2. 25.7% of recalls were for software, making it the top cause for the seventh consecutive quarter.
3. After a low Q3, recalls of products distributed both domestically and globally rose to 48%, which is in line with the quarterly average for the last 8 quarters.

TOP MEDICAL DEVICE CAUSES BASED ON RECALLS
- Software Issue: 25.7%
- Mislabeling Issue: 23.7%
- Quality Issue: 16.4%
- Manufacturing Defect: 7.2%

55% OF MEDICAL DEVICE RECALLS WERE NATIONWIDE

AVERAGE CLASS I UNITS RECALLED PER QUARTER
- 2015 AVG.: 276,233
- 2016 AVG.: 310,158
- 2017 AVG.: 511,017

MED DEVICE RECALLS & UNITS
- Q4 2015: 140MM
- Q1 2016: 120MM
- Q2 2016: 100MM
- Q3 2016: 80MM
- Q4 2016: 60MM
- Q1 2017: 40MM
- Q2 2017: 20MM
- Q3 2017: 350
- Q4 2017: 300
- Q3 2016: 250
- Q2 2017: 200
- Q1 2017: 150
- Q4 2016: 100
- Q3 2016: 50
- Q2 2016: 40
- Q1 2016: 30
- Q4 2015: 20
FDA food recalls declined 5% to 150 – the lowest quarter since Q1 2016. Recalled FDA food units declined 93% to 7 MM, less than any quarter since Q1 2016 and lower than 9 of the last 12 quarters. USDA recalls increased 17% to 28 – still lower than 4 of the last 5 quarters. Recalled USDA pounds dropped 92% to 597,896 – the lowest since Q3 2013.

**ALLERGEN RECALLS SOUR**

54.7% of FDA food recalls were due to undeclared allergens, almost identical to 54.1% in Q3 2017 and up from 37.1% in Q2.

**CONNECTING THE DOTS**

1. 49.9% of USDA recalled pounds were due to lack of inspection, compared to just 0.2% the previous quarter.
2. Prepared foods and supplements were the top two FDA food categories based on recalled units, accounting for a combined 72.2%.
3. Only 9% of the FDA food recalls were for products distributed nationwide, the lowest since at least 2013.
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.

Stericycle Expert Solutions & the Recall Index Explained

Stericycle Expert Solutions 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.