

# European product recalls spiked by over 25% in 2021, rising ahead of prepandemic levels

Sedgwick brand protection releases full year of European product recall data and analysis

**LONDON** 9 March 2022 - Sedgwick's latest report reveals that across seven key industries, the number of product recalls in Europe increased by 25.5% in 2021, compared to 2020. The latest <u>'State of the Nation Recall Index report'</u> reveals a total of 9,415 recall events, a 7.4% increase on 2019's annual figure, and a return to pre-pandemic levels.

The recall index report assesses seven product categories: automotive, pharmaceutical, medical device, electronics, clothing, toys, and food and beverage. It collects and analyses data from regulators across Europe, including the UK and European Union, to provide businesses with impartial and reliable recall data, product safety trends, exclusive insights and guidance valuable to their operations.

To download the recall index report, visit European product recall index report.

## 2021 recall highlights:

- European automotive recalls rose 18% (to 571) in 2021, compared to 485 in 2020.
   The leading cause across each quarter was injuries. Whilst patterns remained stable, there were notable regional differences, including increases in France and decreases in the UK.
- In the food and beverage category, recall activity increased 25% in 2021 (to 4,676 events), compared to 3,737 events in 2021. Almost a third (1,680) of recalls were due to "contamination other", with Germany experiencing a 46% increase in recall notifications compared to the prior year.
- Pharmaceutical recall events increased by 48% (to 372) in 2021. The leading cause of recall activity was safety, which accounted for 33% (123) of the total. France topped the list for both origin and notification of events, with 108 (29%) in each category.
- Medical device recalls surged 40% in 2021 from 2,061 (in 2020) to 2,886. 'Quality issues' accounted for the majority of events (at 630, or 21.8%). Devices originating in Germany registered 790 recalls, (27.4%), followed by Italy (668) and France (604).
- Recalls for the clothing sector were up 6.3% (to 151 events) compared to 2020 (142).
   For the second year in a row, children's sweatshirts were the leading cause (27).
   Nearly one-third of all recall events were notified by Bulgaria (49 instances, or 32%).
- The electronics industry saw a nearly 45% increase in recalls compared to 2020. This
  marks the second year that figures have increased, though the jump to 326 events is
  more significant than increases in prior years. For the third consecutive year, USB
  chargers were the most recalled appliance. Hungary topped the list of recall
  notifications, with 104, or 31.9%.

• Toy recalls fell by 28.1% in 2021, with 433 events. Plastic dolls remained the most recalled toy of the last 3 years (79 events in 2021). Poland overtook the UK as the leading notifier with 102 recalls.

"In the aftermath of the pandemic and Brexit, there have been significant supply chain disruptions and swift replacements resulting in a spike in 2021 recalls. Businesses have been forced to adjust what would have been normal operations two years ago, said Julie Ross, international business development director at Sedgwick. "Regular risk assessment protocol was side-lined, causing recalls to increase in every industry, with the exception of toys."

Luke Evans, Sedgwick recall consultant added, "there are now sweeping changes ahead for all industries in 2022. In many cases, regulators are updating laws written before the widespread adoption of online marketplaces and connected devices. The goal of these changes is to protect consumers, and in some cases the environment, however they are likely to cause challenges for businesses who may need to make significant adjustments to their business processes to comply with new regulations."

### Looking ahead in 2022:

- The European automotive industry is facing a number of interconnected regulations from the European Commission that focus on sustainability and the environment. These include automotive safety rules like the Euro 7 and Euro VII emissions standards, wherein adoption was delayed to July 2022.
- The European food and beverage industry is facing several regulatory updates in 2022, including the enactment of the UK's Competition and Markets Authorities (CMA's) Green Claims Code, and proposed label changes from the European Commission planned for promulgation.
- Global regulators within the pharmaceutical industry are driving a coordinated response to develop safe new COVID-19 vaccines and treatments. However new changes to EU law demand that sponsors or legal representatives for clinical trials be established in the EU, meaning those who are solely UK based can no longer conduct trials in the EU on behalf of sponsors from the U.S., or other non-European locations.
- Medical device companies operating in the EU are monitoring amended transition periods required to take in vitro diagnostic medical devices to market. New rules were due to be implemented in May 2022, however – manufacturing shifts to satisfy demands for pandemic-related products – sparked calls to push the deadline.
- Environmentally friendly processes for production, packing, and shipping continue to be a priority across the clothing industry. UK clothing firms eco-claims will be examined more closely now that the CMA's new Green Claims Code is in effect.
- Regulators are currently updating legislation to consider the expanded capabilities and increased usage of artificial intelligence (AI) and the Internet of Things (IoT).
   While the UK's proposed Product Security and Telecommunications Infrastructure Bill (PSTI) is intended to protect consumers, it could prove onerous for manufacturers and distributors.
- Safety remains the top issue across the toy industry. Key changes in the EU Toy
  Safety Directive are in approval stages. Regulators are currently acknowledging
  changes in both product technology and the way products are now sold notably

online. The proposed regulations could be a big burden on manufacturers and retailers, meaning companies should be following the developments closely.

This industry leading research and analysis was designed and delivered by Sedgwick's experts in best practice product recall and remediation solutions.

The recall index is produced by Sedgwick's brand protection experts every quarter. It is an essential reference for manufacturers and retailers seeking impartial and reliable perspective on past, present and future recall data and product safety trends. For more information, please visit <a href="https://www.sedgwick.com/brandprotection">www.sedgwick.com/brandprotection</a>.

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#### Media contact

Sedgwick MediaInquiries@sedgwick.com