



Why it pays to track and trace your products

Ensuring effective product recalls—your safety net

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If you supply products to consumers, a safety or quality control issue can mean you need to recall defective or unsafe goods.

You can ensure your product recall is efficient and effective by understanding your supply chain and being able to track and trace your products through it.

This factsheet provides best practice advice for tracking and tracing your products to make your recall effective and efficient.

For more information about tracking and traceability, consider purchasing the International Organization for Standardization's publication [ISO 10377:2013 Consumer product safety—Guidelines for suppliers](#).

The benefits of tracking and tracing products

It is important that you be able to identify and quickly locate a recalled product you supply. This will help:

- you and your customers identify which products have been recalled
- reduce costs; you will bear the cost of repairing, refunding or exchanging only the affected products
- reduce the risk of harm to consumers by efficiently removing faulty or unsafe products from the market
- customers feel confident about your quality control and your brand
- reduce the chance of legal action or consumer injuries with unreturned products, and
- you accurately report on the success of your recall.

Tracking and tracing benefits you and your customers. Suppliers will need to recall a broader range of products if they can't identify affected product lines and batches. You will frustrate and confuse your customers if they do not know which products are safe and which need to be returned. They might assume all your products are faulty and this could hurt your reputation. Read our case study for a costly example.

Identify your products

You can take two simple steps to track and trace your products:

- Start by setting up a system that gives each product a unique identifier such as a barcode or label affixed to the product. A unique identifier means the specific product can be distinguished from a larger pool of stock. Serial numbers, expiry dates, batch or lot numbers, and/or production dates can all help identify your products.
- Mark your product with a unique identifying number and record where you supplied those numbers. This will allow you to follow it along the supply chain. Ideally the numbers should stay on the product for all of its useful life—until it is consumed, returned or disposed of. Even the smallest businesses can benefit from a system that uniquely identifies their products.

One step up and one step down

You should record where you received your products from and where you supplied them to—‘one step up and one step down’. The supplier and receiver of any item, no matter the size of the

business, should keep a record of every transaction. These records will tell you who to notify upstream and downstream about a product issue.

Encourage your suppliers and buyers to do the same, no matter how long or complex the supply chain is. If all suppliers use this principle, products can be identified and traced throughout the supply chain.

Tracking and tracing can save you time and money. If you can accurately identify a problematic batch you can quickly engage your supplier. You will also be able to isolate and remove all faulty downstream products from your supply chain, the market and consumers.

Setting up a simple system

Start now—you should:

- create a list of all the products that you supply
- keep up-to-date contact details for all parties that you receive goods or components from, or supply to
- develop or adopt a set of globally unique identification numbers for each product that you supply. Or, consider whether a combination of serial numbers, expiry dates, batch or lot numbers, and/or production dates will be sufficient to differentiate your products. Plan how these numbers will be affixed to your product
- if you order goods ready-made consider asking your supplier to add these details for you. If necessary, specify the inclusion of these details into your supply contracts
- confirm that members of your supply chain understand and adopt the ‘one step up, one step down’ principle. Ensure that records are kept for the lifetime of each product that you supply
- if you supply ‘big ticket’ or long-lived products consider extending traceability to your customers. You can ask for their details at the point of sale, or through the online registration of warranties. This will help you to communicate recalls directly to your customers
- if you supply to retailers, ask them how they will be able to track and trace your products in the event of a recall, and what assistance they can provide
- train your staff to track products, create records and communicate with other areas in your supply chain
- test your system regularly by conducting mock recalls. You should be able to communicate with customers or upstream suppliers to identify and locate all affected products.

Best practice tracking and tracing helps you and your customers find needles in haystacks. Suppliers with no identifiers on their products will need to recall additional products because they have no way of differentiating which product lines and batches need to be recalled and which are fine.

Case study: A recall rate of 300 per cent was a costly exercise

The supplier: A manufacturer of glass cookware.

The fault: One product in the company's range was found to shatter under normal use.

The recall: Because there was no identification on any of the company's products, neither customers nor retailers could be certain which product was faulty and should be returned. This resulted in all cookware in the range being returned. The return rate was three times greater than the number of faulty products actually sold by the business. Even then, the business couldn't be sure that all the faulty products were returned.

The fix: Future production runs had identifying markings stamped on lids.

More information

It is important to get recalls right the first time—it can be costly and time consuming for you to revisit them and changed messages can be confusing for customers. Recall information is available from www.productsafety.gov.au/recalls. You can also refer to the [ACCC Consumer Product Safety Recall Guidelines](#).

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