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Instructions on product safety and product liability

23 June 2025

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I. Introduction

The Product Safety Law (PrSG) aims to ensure the safety of products and facilitate the cross-border trade of goods. It obligates manufacturers to place only safe products on the market and to continue to monitor products after placement on the market. The PrSG transposed Directive 2001/95/EC of the European Parliament and the Council of 3 December 2001 on general product safety into Swiss law. This means that consumer protection in the area of product safety is in line with European standards.

While the PrSG is a public-law decree directed at administrative authorities, the federal law of 18 June 1993 on product liability (PrHG) regulates the civil liability of private individuals for consequential product damage (personal injury or property damage). In EU countries, the regulations on product liability are also harmonized with the European product liability directive of 1985. Germany has implemented the directive through the Product Liability Law (ProdHaftG). Switzerland has adopted it autonomously through the Product Liability Law (PrHG).

The present instructions on the PrSG and PrHG concern legal relationships in Switzerland. Since the general principles of product safety are largely harmonized in Europe, these instructions are binding for all group companies. Nevertheless, compliance with the instructions does not constitute exemption from the obligation to observe and comply with specific legal provisions of the national legislation concerned.

The placement of defective products on the market can have severe consequences. Such products may not only give rise to civil and criminal liability for the manufacturer, they often pose reputational risks that have far greater consequences for the manufacturer. This makes it all the more important to comply with product safety regulations, even though compliance cannot completely rule out the risk of product liability.

Sections II. and III. below provide an overview of the PrHG and PrSG and the measures to be taken. Appendix 1 gives an example illustrating the various bases for a claim in a product liability case. Appendix 2 includes reference provisions that must be integrated in supplier and dealer agreements in the future. And Appendix 3 contains a checklist that must be filled out and signed by OS for each product category that is about to be placed on the market or is still manufactured after 31 December 2011.

II. Product liability

Product liability is the strict liability of the manufacturer for damage resulting from the use of a defective product that has been placed on the market. It is a non-contractual liability that requires neither a contractual relationship between the injured party and the manufacturer nor fault. Product liability can be asserted in addition to claims from the agreement (97 OR) or from impermissible acts (41 OR). The following explanations give a general overview of the most important provisions of the PrHG and serve to identify any product liability risks as early as possible.

1. Principle

The manufacturer is liable for damages if a defective product causes:

- A person to be killed or injured;
- An item to be damaged or destroyed that is by its nature usually intended for private use or consumption and has been primarily used by the injured party for private purposes.

Accordingly, product liability law does not apply to:

- Damage to the product itself. In this case, warranty and guarantee entitlements often exist.
- Damage to commercially used items.
- Purely financial losses (e.g. interruption of operation, loss of income).

2. The manufacturer

The manufacturer is:

- Any person who has made the final product, a raw material, or a component product (e.g. supplier, assembler, final assembler, etc.);
- The quasi-manufacturer who deliberately identifies itself as the manufacturer by affixing an identifying mark;
- The importer who has imported the product as part of its operating activities for the purpose of distribution;
- The supplier, under certain circumstances. If the manufacturer of a product cannot be identified, any person who has supplied the product is considered the manufacturer, unless they provide the injured party, within a reasonable period after a request to that effect, with the name of the manufacturer or the person who supplied them with the product. The same holds true for products whose importer cannot be identified, even when the manufacturer's name is known.

The injured party can demand the entire amount from one or more manufacturers (joint and several liability). A manufacturer who has paid may be able to take recourse against another manufacturer under certain circumstances.

3. The claimant

In principle, any person who has suffered personal injury or property damage from a defective product is entitled to claim.

4. The defective product

A product is considered any movable item, even if it has been installed in another movable item or a building (e.g. a window).
A product is defective if it does not meet the legitimate expectations for product safety. The following must be taken into consideration:

- The manner in which it is presented to the public;
- The use that can be reasonably expected (including foreseeable misuse, potential user groups such as small children, the elderly, etc.);
- The time at which it was placed on the market.

A product is not considered defective because an improved product was placed on the market at a later time.

In practice, a distinction is drawn between the following types of defects:

- Design defects
- Manufacturing defects (including random "outliers"!)
- Instruction defects (inaccurate, incomplete, or misleading information in the instructions for use)
- So-called development defects: In Switzerland and in most EU and EEA countries, the manufacturer is not liable if it was unable to identify the defect according to the state of science and technology at the time the product was placed on the market. The EU directive, however, allows countries to introduce a liability for such risks (Finland, France, and Spain have done this).

5. Liability exclusions

Relief from product liability is possible when:

- A non-foreseeable development defect is present (except for in countries that also provide for liability for development defects).
- Circumstances allow the assumption that the defect that has caused the damage was not present when the product was placed on the market.
- The supplier can prove that the damage is due to a design or instruction defect of a secondary or final product.
- Irrecoverable damage according to PrHG has occurred: deductible up to CHF 900; statute of limitations (the relative limitation period is three years and the forfeiture period is ten years).

The product liability does not lapse, however,

- if it is excluded per agreement or General Terms and Conditions. Product liability is obligatory:
- Because the manufacturer has observed the legal regulations for product safety or the relevant quality standards.
- In the case of low-cost products. Even a low-cost product must be safe.

6. Limits of liability

The liable party must compensate the financial loss resulting from the death or injury of a person or the damage to property. With regard to the amount of liability, the following special provisions apply:

- For property damage, there is a deductible of CHF 900 in Switzerland and EUR 500 in Germany and many other EEA countries.
- The liability amount for the same defect in a particular product that leads to personal injury is limited to EUR 85 million in Germany. Switzerland and most EU and EEA countries do not have an upper limit.
- In Switzerland, an entitlement to compensation only exists if death or severe bodily injury is caused by the injuring party. In Germany and a few other EU countries, there is a no-fault entitlement to compensation from product liability.

7. Product liability according to US law

Each US state has its own regulations. Although the liability requirements differ in some respects from those in Europe, the main differences from Europe mainly lie in the plaintiff-friendly procedural law (comprehensive disclosure requirements for the parties, class actions, contingency fees for lawyers) and the high levels of compensation awarded (punitive damages, high sums awarded for pain and suffering). US courts have significant discretion to determine whether they have jurisdiction for hearing a liability case. US judges tend to recognize the jurisdiction of US courts even when there is little connection to the USA.

8. Product liability and criminal law

If a person is injured or killed by a defective product, a manufacturer's employee who can be proven to have violated their personal duty of care can be punished for negligent injury or homicide. Negligent property damage is not punishable, however. If the guilty party cannot be determined due to inadequate company organization, the company itself can be punished by way of a fine of up to CHF 5 million.

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III. Product safety

1. The PrSG and other product safety regulations

The PrSG replaced the federal law on the safety of technical equipment and devices of 19 March 1976. The other approximately 20 sectoral federal laws (for example, the federal law on building products of 8 October 1999) with their approximately 100 regulations in the area of product safety are still in force, however.
Both the sectoral federal laws and regulations as well as the PrSG must be observed. In the case of contradictions, the former take precedence.

The PrSG is applied for the commercial or professional placement of products on the market. It also applies when products are provided to users without charge. This being the case, it is essential to consider safety even when distributing promotional gifts. The PrSG is not applicable when private individuals occasionally sell each other products.

2. The manufacturer

The PrSG primarily holds the manufacturer responsible for product safety. It assigns subsidiary responsibility to other distributors (importers, dealers), although this provides them with little real benefit: On the one hand, the subsidiarity only applies to the placement on the market (not, however, to the post-market phase in which all distributors are required to be active). On the other hand, due to the subsidiary nature of their responsibility, the importer or dealer must take all measures the manufacturer failed to take when placing the product on the market.

According to the PrSG, the manufacturer is:

- Anyone who bears responsibility for the design and manufacture of the product, including its features;
- Anyone who assembles the product from supplied parts (assembler);
- Anyone who outsources production at all stages to subsuppliers but bears the ultimate responsibility for it;
- Anyone who identifies itself as the manufacturer by affixing its name, trademark, or another identifying mark (logo) on a product procured from another manufacturer or distributor ("quasi-manufacturer");
- Anyone who reprocesses a product or otherwise influences its safety characteristics through its activity;
- Anyone who acts as a representative of a foreign manufacturer (this does not have to be a de jure representative. The de facto representative also qualifies as a manufacturer).

3. The user of a product

The PrSG protects the physical integrity of every individual. It not only protects the consumer or user of the product but also employees and uninvolved third parties ("innocent bystanders"). For example, products with questionable safety may not be distributed to employees as "2nd choice" or "rejects". Such products must be retrofitted or destroyed.

4. The enforcing authority

Enforcing authorities may inspect products that are placed on the market, and collect samples if necessary. If the inspection reveals that a product does not meet the safety requirements, an enforcing authority may issue an order:

- that prohibits a product from being further placed on the market;
- that mandates a warning against the risks of a product, its withdrawal from the market, or recall and execute this itself if necessary;

- that prohibits the export of a product which has been prohibited from being further placed on the market;
- that withdraws a product that poses an immediate and serious risk and destroys or makes it unusable.

The enforcing authorities warn the public about dangerous products if the distributor does not implement effective measures or does not implement them in time. They make their information on the danger of particular products and on the implemented measures publically available.

A manufacturer is under an obligation to cooperate in the enforcement and must provide all necessary information as well as submit the necessary evidence and documents. Anyone who deliberately places an unsafe product on the market, thereby endangering the safety or health of third parties, or violates their obligations to cooperate and provide information may face criminal charges.

5. Product definition

The PrSG defines a product as a ready-to-use movable item. A product is ready to use when it no longer requires any more manufacturing steps for its intended use, regardless of whether its individual parts are provided to the user for independent installation or assembly. Readiness for use does not rule out the possibility that materials such as cement, adhesives, insulation mats, metal sheeting etc. are also included in the production definition. After all, when an adhesive, for example, leaves the factory, it is ready to use.

A product is also movable according to PrSG when it is part of another movable item (e.g. a USM tube in a piece of office furniture) or part of an immovable item (e.g. a window in a house). Instructions for use that are provided together with a product and exclusively concern its use or even assembly instructions that make it possible to be used in the first place are also part of the product in respect to safety and liability law.

Antiques are not covered by the PrSG.

6. Requirements for placement on the market

6.1 Foreseeable use

A product may be placed on the market if it does not endanger the safety and health of users and third parties or only endangers them minimally in the case of normal or reasonably foreseeable use. Reasonably foreseeable use also includes the usually careless or clumsy handling of a product as well as misuse, unless it is completely unreasonable or abusive. Absolute safety is not required. A knife or a pair of scissors, for example, inherently poses the risk of minor lacerations. However, it is assumed that a product poses at most minor, justifiable risks consistent with its use while maintaining a high level of protection of people's health and safety.

6.2 Special laws / state of science and technology

A product must fulfil either the basic safety and health requirements set out in sectoral federal laws and regulations or correspond to the state of science and technology. If a product is manufactured according to specified technical standards, it is assumed that the basic safety and health regulations are observed. This presumption of safety, however, exclusively extends to the elements covered by the technical standard and can be refuted. For example, a product can be defect-free in terms of construction method, material, and production due to technical standards, but an element of its performance can pose a risk to users and third parties.

Anyone who places a product on the market that does not meet the specified technical standards must be able to prove that the product fulfils the basic safety and health requirements in another way.

If no basic safety and health requirements are defined in special regulations, it must be possible to demonstrate that the product has been manufactured according to the state of science and technology. The expression "state of science and technology" includes the latest knowledge and the latest technology that is scientifically based, technically proven to be feasible, and publically available. The state of science and technology can be observed in worldwide development. In the case of new findings, corresponding adjustments must be made.

6.3 Service life

The product must be safe throughout its specified or expected service life. If the manufacturer does not specify a limit to the service life, the manufacturer must assume that the user considers the product safe for its entire life. The design, material, and parts of durable products must correspond to their specified or presumed service life. The manufacturer must issue regulations on which safety-related parts and/or safety-related wearing parts have to be replaced and at what point in time (for example, specification of time intervals or operating hours).

Furthermore, the manufacturer must ensure that spare parts required for the safe use of the product are available during the specified or expected service life. User manuals and operating instructions as well as other documents containing safety and hazard notes must be held available for the same amount of time.

6.4 Effect on other products

If it is reasonably foreseeable that a product will be used with other products, its possible effect on the other products must also be taken into account. The manufacturer must either design the product so that no hazard results from expected or reasonably foreseeable combinations or mixtures, or the manufacturer must prevent such hazards through technical measures or appropriate warnings.

6.5 Persons at particular risk

If it is foreseeable that a product will be used by a group of persons at particular risk, such as, for example, children, disabled people, or the elderly, this circumstance must be taken into account. The hazard potential must be reduced in line with the users' limited understanding, visual impairment, clumsiness, or declining physical strength.The products must be correspondingly made safer or declared in such a way that it can be assumed that they will not fall into the hands of unsupervised children or be incorrectly used by disabled people or the elderly.

6.6 Labelling and presentation

Product safety is determined, on the one hand, by internal factors inherent to the product itself (design, construction, formulation, and manufacturing of the product). On the other hand, there are decisive external factors for product safety that can be considered presentation. This includes all factors that influence whether a product is perceived as safe or risky, but which can also conceal the actual hazard potential of a product: packaging, color scheme (e.g. safety-relevant parts, hazard zones, touch prohibitions on machinery), labeling, graphic design, etc. For example, the formal and visual design of a product and its packaging must correspond to the characteristic type of packaging for the product in question. For instance, it would not be permissible to fill a Tetra Pak container, which is typically used for beverages, with an aggressive cleaning agent and use a picture of fruit to additionally give the impression of a fruit juice.

The manner in which a product is presented to the public through advertising or PR is also relevant to its safety. Advertising and PR can prevent hazards as well as create hazards, for example, by raising exaggerated safety expectations among users or encouraging a risky use of the product. For example, if the hand guard is folded away when a circular saw is demonstrated at a sales exhibition, then the distributor accepts the dangerous use by the user later on.

6.7 Packaging and instructions for assembly, installation, and maintenance

The safe handling of a product requires adequate packaging that corresponds to the risk from the material and design. Depending on the contents and usage situation, it must be moisture-, heat-, cold-, solvent-, and acid-resistant, stable, leak-proof, and resealable. Instructions must be easily understandable, easy to read, and correctly written with a view to safe assembly, non-hazardous installation, and risk-preventing maintenance of the product. Instructions that are incomplete, awkwardly formulated, or incorrectly translated from a foreign language can render an inherently safe product dangerous.

The instructions for assembly, installation, and maintenance must be written in the official Swiss language (German, French, Italian) of the Swiss region in which the product is expected to be used. If the installation and maintenance of a product will be exclusively performed by specialist personnel of the manufacturer or its representative established in Switzerland, the instructions for this work can be written in the language that the specialist personnel concerned understands.

6.8 Warnings and safety notes

Warnings and safety notes are only permissible, but also obligatory, if a hazard cannot be eliminated through a different design or through technical measures and can be retained on the product after careful consideration of the benefits and risks. An unsafe product for which hazards have not been fundamentally eliminated by design and/or technical safety measures cannot be "fixed" by warnings and safety notes. Warnings and safety notes must be (cumulatively) written in the three official Swiss languages German, French, and Italian. Instead of text form, symbols can also be used if they ensure sufficient information.
Warnings and safety notes must be placed in a prominent position on the packaging and the instructions. Within the EU, warnings and safety notes must be written in the official language of the respective member state in which the product is placed on the market.

6.9 Instructions for use and operation and information on disposal

The instructions for use and operation define the purpose for which the product is intended. They must also warn against misuse that experience shows can occur. The safe use of a product requires that the instructions for use and operation – such as the instructions for assembly, installation, and maintenance (cf. Sect. 6.7) – are easily understandable, easy to read, and correctly written. It too, it holds that instructions that are incomplete, awkwardly formulated, or incorrectly translated from a foreign language can make an originally safe product dangerous. Instructions for use and operation as well as information brochures must be written in the official Swiss language (German, French, Italian) of the Swiss region in which the product is expected to be used. Instructions for use and operation must reach the user directly, i.e. without the user having to make an effort to obtain them. Likewise, no one may be endangered during the disposal of a disused product. Instructions for use and operation must therefore contain information on how a product has to be packed and labelled for disposal. If the disposal of a product (incl. reasonably foreseeable incorrect disposal) does not pose any risk to safety and health, information on disposal can be omitted.

7. Obligations of the manufacturer after placement on the market

7.1 Post-market obligations / exception

The responsibility for product safety does not end with the placement of the product on the market. It also includes the obligation to monitor the product, prevent hazards, trace products, and report to the authorities (so-called post-market obligations). The PrSG limits the period during which the manufacturer must take measures to identify hazards to the clearly date-specified or anticipated service life of the product. If a service life is specified, the post-market obligations end upon the expiry of this deadline.

Post-market obligations must be fulfilled without restriction. An exception is when a product is exclusively used by specialists for commercial or professional purposes and no migration of the product takes place. If a product is exclusively intended for commercial or professional use, it is sufficient for the product to be monitored to the extent that any migration of the product into consumer sales channels is detected immediately. Should migration occur, the managing director and the legal service as well as the business liability insurance must be informed. (Nevertheless, the sectoral regulations for dangerous products that are reserved for professional or commercial use generally include analogous obligations to set up product monitoring systems. These must of course be observed.)

7.2 Product monitoring

The product monitoring obligation requires manufacturers to implement suitable measures to identify hazards that could result from products during normal or reasonably foreseeable use even after placement on the market. Since suppliers and dealers are also required to help meet the product monitoring obligation, the supplier and dealer agreements must provide for or regulate a number of different obligations and the distribution of the costs resulting from the measures. Corresponding example agreement provisions are found in Appendix 2 of these instructions.

For the manufacturer to meet its obligation to detect and prevent hazards, it must implement safety monitoring that covers the following areas:

- Central monitoring of reports on product hazards in the trade press and media. Analysis of the reports in respect to safety-relevant aspects of their own products.
- If competitors' products are recalled, it is necessary to check whether one's own product carries the same safety defect (cf. RAPEX list: http://ec.europa.eu/consumers/dyna/rapex/rapex_archives_en.cfm).
- Regular, contractually ensured inspections at dealers (even in long-standing cooperations) to verify whether they subsequently introduce hazards to the product (e.g. through repackaging, different labeling/presentation, non-compliant storage, or hazard-creating advertising and PR).
- Regular, contractually ensured inspections of products that are especially sensitive to temperature, moisture, or vibrations in the warehouse and at the point of sale.
- Implementation of a contractually ensured permanent exchange of knowledge and experience regarding breakdowns or hazard reports with the suppliers and dealers as well as ensuring a mutual obligation to provide information about measures of the enforcing authority.
- Immediate reporting to the managing director and legal service at the first signs of a product hazard.
- Creation of documentation on each activity listed in this section.

7.3 Sales freeze / withdrawal from the market / recall

If the manufacturer becomes aware of a hazard posed by a product, they must take the necessary and reasonable measures to ensure that no one suffers any harm. For such a case, each company must draw up a concept that defines the measures to be implemented in the case of a sales freeze, withdrawal from the market, or recall. The measures must be adapted to the respective product category and user group and must cover the following areas:

- Designation of a recall coordinator, including representative, who is responsible for taking the necessary measures when product hazards are detected. Keeping the contact information of these two people to hand.
- Definition of the hazards that give cause for a warning, sales freeze, withdrawal from the market, or recall.

- Ensuring that the legal service and the business liability insurer are consulted before any measure is implemented, whereby the contact information of the recall coordinator and their representative must be given.
- Compiling of a list of measures for the following areas: delivery stop – informing the service offices and trade – specific and public warnings/recalls – telephone hotline – press monitoring – retrofitting/repair of the products – destruction/disposal of non-repairable products – success monitoring through counting the repaired products – follow-up action in case of insufficient recalls – documentation of the entire operation.
- Keeping the contact details of the competent enforcement authority to hand.
- Keeping sample texts for warnings and recalls to hand.
- Keeping the list of former and current dealers to hand.
- Keeping the address list of media / press agencies to hand for advertisements, press releases, and the advertising schedule.

7.4 Tracing of products

Anyone who places products on the market must be able to provide the enforcing authorities with information on the source of the product (upstream traceability) and its destination (downstream traceability). This information obligation extends "downstream" only until the last distribution level, but not to the delivery to end users. It must be ensured that a list of the current and former suppliers and dealers is always to hand. The products must be appropriately labelled for identification purposes. A mark or trademark is only sufficient if there is no doubt in regard to the manufacturer. It is advisable, though not obligatory, to label the products according to the model, batch, or date of manufacture. This limits the number of products affected by a measure in the case of a recall or intervention by the enforcing authority.

7.5 Complaint recording system / random checks

Customer complaints, complaints from trade, and reports of the service and repair companies about a product's vulnerabilities are valuable sources of information about product hazards. For this reason, the PrSG places manufacturers under an obligation to check all complaints regarding the safety of a product (for example, indications of weaknesses, breakdowns, and near-accidents) with due care and to carry out random checks if necessary. In the framework of a suitable complaint recording system, it is therefore necessary to ensure that all complaints from the various sales and service locations are recorded and analysed for any product hazards. In addition, employees must be motivated to report breakdowns and defective products.
If it is determined that a product has a safety deficiency, random checks must be made if necessary, and measures to eliminate the hazard must be taken immediately. At the same time, the managing director and the legal service must be informed.

7.6 Reporting obligation

As soon as there is reason to believe that a product poses a hazard to the safety and health of users or third parties, the managing director, the legal service, and the responsible authority (cf. Section III.1) must be immediately informed. Reports to the enforcing authorities are only made after consultation with the legal service. There is no time to investigate further whether the assumption of a hazard is actually justified. The occurrence of a hazard is not required.

8. Documentation obligation / retention period

The technical documentation on the product, the product specifications, the applicable sectoral standards or scientific documents, the declarations of conformity and CE documents, any test and approval certificates, instructions for assembly, installation, and maintenance (all versions/languages), instructions for use and operation (all versions/languages), safety and warning notes (all versions/languages), the lists of (former and current) suppliers and dealers etc., as well as

all processes, clarifications, analyses, customer complaints, etc. must be centrally stored or documented. The documentation must be retained during the specified or reasonably foreseeable service life of the product, but in any case for at least 10 years from the date of manufacture. In the case of mass production, the period begins with the manufacture of the last example.

IV. Transitional provisions and entry into force of the instructions

The previous safety standards must continue to be observed (especially the obligations before placement on the market, the post-market obligations, as well as the retention and documentation obligations).

Regardless of this, all products that pose a risk to safety and health must be immediately reported to the responsible managing director and the legal service.

The present instructions enter into force with immediate effect.

Arbon, June 23, 2025

Claudius Moor
CEO

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Head of Compliance/General Secretary

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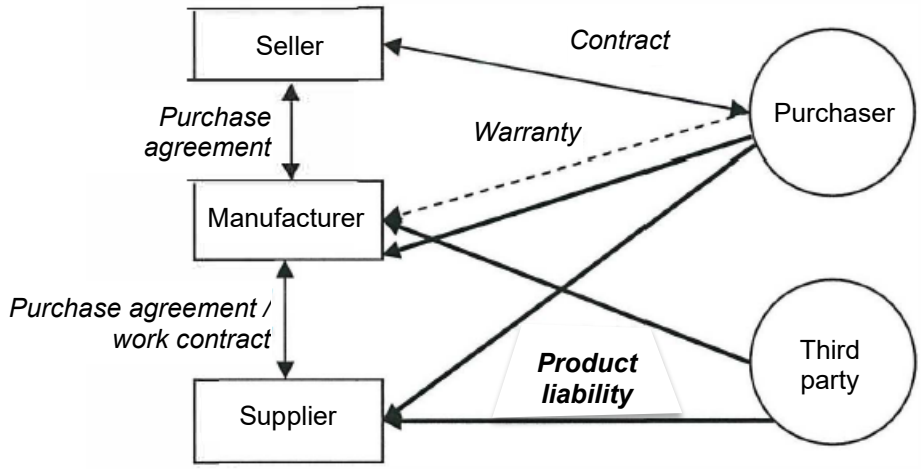
Appendix 1: Product liability example
Appendix 2: Reference provisions

Appendix 1: Product liability example

The following example is to clarify the various bases for a claim that are available to a third party if it has been damaged by a defective product:



Example:

A house owner and his guest injure themselves on the sharp edge of a window frame. The house owner (but not his guest) can claim damages under the contract from the seller (e.g., specialist company) from which he bought the window. The house owner may also have a direct warranty claim against the manufacturer. The house owner as well as his guest additionally have a claim under product liability against the window manufacturer, and, if a supplier part has proven to be defective, against the supplier as well. The seller may claim recourse from the manufacturer under certain circumstances and the manufacturer from the supplier under certain circumstances.

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Appendix 2: Reference provisions

1. Supplier agreements

Section xy Product safety

The supplier undertakes to observe the Swiss and European regulations on product safety, namely the Swiss federal law on product safety and Directive 2001/95/EC of the European Parliament and the Council of 3 December 2001 on general product liability, including all possibly applicable sectoral special laws and regulations. The supplier shall inform Arbonia continuously and without request on the supplier's upstream supplier chain. If the supplier intends to change a subsupplier and/or add a further subsupplier, it shall inform Arbonia of this in writing. The report to Arbonia shall be made in good time, so that Arbonia is able to take any necessary measures. If the supplier becomes aware or has reason to assume that the product poses a risk to safety and health, it shall inform Arbonia immediately in writing about the type of hazard, the measures planned for eliminating the hazard, and any measures implemented by the responsible enforcing authority. The supplier is especially obliged to set up safety monitoring to ensure its post-market obligations and to inform Arbonia about safety-related incidents. The supplier is liable to Arbonia for all damage that Arbonia suffers from the non-compliance with product safety regulations on the part of the supplier, especially for the costs of a warning, a sales freeze, a withdrawal from the market, and a recall, for claims for damages asserted against Arbonia by third parties and costs imposed on Arbonia by authorities.

2. Distribution agreements

Section xy Product safety

The distributor undertakes to comply with the Swiss and European regulations on product safety, namely the Swiss federal law on product safety and Directive 2001/95/EC of the European Parliament and the Council of 3 December 2001 on general product safety, including all possibly applicable sectoral special laws and regulations. The distributor shall inform Arbonia continuously and without request on the supplier's upstream supplier chain. The distributor grants Arbonia the right to inspect the conditions in the warehouse as well as at the point of sale at any time. If the distributor becomes aware or has reason to assume that the product poses a risk to safety and health, it shall inform Arbonia immediately in writing about the type of hazard, the measures planned for eliminating the hazard, and any measures implemented by the responsible enforcing authority. The distributor is especially obliged to set up safety monitoring to ensure its post-market obligations and to inform Arbonia about safety-related incidents. The distributor is liable to Arbonia for all damage that Arbonia suffers from the non-compliance with product safety regulations on the part of the distributor, especially for the costs of a warning, a sales freeze, a withdrawal from the market, and a recall, for claims for damages asserted against Arbonia by third parties and costs imposed on Arbonia by authorities.