



**SUPPLIER  
MANUAL**

# Table of Contents

Revision Record .....	4
Demmer Mission Statement .....	5
Preface .....	6
<b>Purchasing</b> .....	<b>7</b>
Purchasing Policy .....	7
Procurement Compliance Letter.....	8
Supplier Code of Conduct .....	9
Terms and Conditions .....	11
Supplier Insurance Responsibilities .....	11
Subcontracting .....	11
Supplier Control Levels .....	11
International Traffic in Arms Regulations (ITAR) .....	11
Federal Acquisition Regulation (FAR)/ Defense Federal Acquisition Regulation Supplement (DFARS) .	11
Reporting an Ethics or Other Work Related Concern .....	12
Control and Traceability Requirements for Demmer Corporation Supplied Material .....	12
Evaluated Receipt Settlement.....	13
<b>Quality</b> .....	<b>14</b>
Quality System Requirements.....	14
Measurement System .....	14
Order of Precedence for Technical Documents.....	14
First Piece Submissions .....	15
Process Changes.....	16
Special Processes .....	16
Certificates of Conformance .....	17
Inspection and Test.....	17
Non-Conforming Material.....	18
Cost Recovery Policy .....	18
Subcontracting Control .....	19
Welding Requirements .....	19

**Packaging** ..... 20  
    Packaging Instructions ..... 20  
    Product Identification ..... 20  
**Safety & Environmental** ..... 22  
    Environmental, Health & Safety Supplier/Contractor Requirements..... 22  
    Safety Requirements..... 28

Valid Date Printed Only

## Revision Record

Date	Description of Change	Revision
2/10/11	Initial Release	
5/11/11	Revise Code of Conduct, add 2 <sup>nd</sup> para to Improper Payment Section	B
5/25/11	Revise page 16, First Piece Sample Submission Requirements	C

## **Demmer Mission Statement**

The mission of Demmer Corporation is to create a competitive advantage for our customers by creating and executing world class engineering and manufacturing solutions. Our flawless launch focus and rigorous process improvement environment drives our ability to acquire new business opportunities and grow customer relationships.

**“We are a customer that’s based on integrity. Where we make promises, we keep our promises and we work very hard to see how we can help a customer enhance their position in their market.” – Bill Demmer, President and CEO**

## Preface

Demmer Corporation is committed to providing its customers with products and services which demonstrate safety, quality, reliability and innovation. It is our objective to meet all customer requirements with the aim of exceeding their expectations and enhancing customer satisfaction. We monitor our process performance, review our quality objectives, and maintain compliance to the Quality Management System and applicable regulatory requirements. Demmer Corporation strives to continually improve our products and processes, including employee safety, waste reduction and pollution prevention to ensure the sustainability of our company.

We strive to continually improve our process performance by meeting quality objectives, and maintain compliance of our work environment with applicable regulatory requirements. It is imperative that our business partners operate under the “zero defects and 100% on-time delivery” philosophy, striving for maintaining a quality system that ensures continual improvement in the quality of product of service and timely deliveries to support our customers’ needs. Emphasis should be on defective prevention and the reduction of variation and waste in the supply chain. The ultimate aim of all activities is to continually comply with our customers’ increasing expectations.

This manual is based on the quality system requirements, and is considered an integral and legally binding part of any Demmer Corporation purchase order. Through implementation and adherence to quality standards, Demmer Corporation looks forward to a long and mutually beneficial relationship with our suppliers.

Sincerely,

Matt Jones

Purchasing Manager

# 1. Purchasing

## 1.1. **Purchasing Policy**

The letter is to inform our valued suppliers about Demmer Corporation's Purchasing Policy. Demmer Corporation's Purchasing Policy requires that all orders have a purchase order number or a valid company credit card before shipment of the product and or before rendering any services.

An invoiced packing slip is required with each shipment. Supplier invoiced packing slips must reference the purchase order number or indicate the purchase was made with a credit card. Invoices that are received without this information or with words VERBAL will not be paid by Demmer Corporation and the invoice will be returned to the supplier.

The following individuals are authorized representatives to procure goods & services on behalf of Demmer Corporation:

Penny Howe – Nate Southerling – Meg Hogg – Greta Marcussen – Nikkie Chavarria  
Chuck Fortino – Elisabeth Vorce – Matt Jones – Jennifer Reinsmith – Pam Rinas

Orders should not be accepted from anyone other than the above mentioned authorized representatives of Demmer Corporation including VERBAL's from a non-authorized source without a purchase order number or credit card number.

All orders must be delivered to the appropriate Demmer Corporation's Plants Shipping and Receiving Department and not to any other personnel or department.

If you have any questions regarding this policy, please contact me at (517) 321-3600.

Sincerely,

Matt Jones

Purchasing Manager

## 1.2. Procurement Compliance Letter

Attention: Valued Supplier

Just a quick reminder from the Procurement Compliance Department concerning Demmer Corporations Basic Buying Policy and what that means to you as a supplier.

It is Demmer Corporations policy that the Procurement Department has sole authority and responsibility to obligate funds for goods and services on behalf of the Company, all purchase orders are issued by the Procurement Department only, and NO commitments (verbal or otherwise) are binding except those properly approved and issued by the Procurement Department in writing.

This means that Engineering, Program Management, expeditors and others are **NOT AUTHORIZED** to give direction to suppliers such as start work authorization, delivery schedule changes, picking up material, redirecting deliveries to other locations, etc. Demmer Corporation has processes in place to work system requirements. If in doubt, please contact your Buyer or me prior to proceeding.

Procurement involvement is required prior to anyone giving any direction to Demmer Corporation suppliers. This includes both goods and services.

The Buyer is responsible for releasing a Request for Quote or a Request for Proposal in support of Demmer Corporation proposals to our customer. It is imperative that the process is followed to permit Demmer Corporation to be compliant to Government Regulations, Public Laws and Internal Policies and Procedures. By doing this, we establish an audit trail for the Government Agencies as well as the Corporate Auditors.

These are just a few of the reasons that only Procurement has the authority to place a Purchase Order with a supplier.

If you, as a supplier, choose to proceed based on an unauthorized person's direction, you may be at risk for not receiving any additional purchase order awards from Demmer Corporation. This involves all Demmer Corporation sites.

Any questions should be directed to me at 517-321-3600.

Regards,

Matt Jones

Purchasing Manager

### **1.3. Supplier Code of Conduct**

#### **OVERVIEW**

Since 1950 Demmer Corporation has been a responsible and successful enterprise that focuses on providing the Demmer Experience of Genuine Value to customers, employees, investors, dealers, suppliers and the communities where we do business. Demmer Corporation is guided by its core values of integrity, quality, innovation and commitment as it delivers performance that endures. Demmer Corporation's commitment to integrity and social responsibility extends to its diverse and worldwide supply base. To ensure that suppliers conduct business with a high degree of integrity and in a socially and environmentally responsible manner, all of Demmer Corporation suppliers are expected to adhere to this Supplier Code of Conduct. These values are of more importance with the committed amount of U.S. Military (Government) work being done at Demmer Corporation.

#### **Supplier Responsibility**

Suppliers are expected to do what is necessary to comply with this code without delay. Suppliers are expected to be familiar with the business practices of their suppliers and sub-contractors and ensure they operate within the guidelines of this code. Failure to comply with this code may result in discontinuance of business relationships.

#### **Gifts and Gratuities**

Demmer Corporation and its individual employees are not permitted to accept gifts from current or potential suppliers. Departmental gifts of nominal value are allowed such as Holiday Baskets etc. that all can partake in. Although giving gifts is acceptable in some cultures, Demmer Corporation requests that suppliers respect its policy of not accepting gifts.

#### **Conflicts of Interest**

In addition to Conflicts of Interest statement in the Employee Handbook, the following should apply:

Demmer Employees must not be involved with procurement decisions regarding any vendor or supplier with whom they have an investment. A member of the Executive Team has the discretion to establish specific limits upon employees where there is a risk of a conflict of interest.

#### **Improper Payments**

Demmer Corporation conducts business with high integrity and within the bounds of the law. Bribery and kickbacks are illegal and subject to criminal penalties in many countries, including the United States. Bribes, kickbacks and similar payments to government officials, Demmer Corporation's employees or agents acting on Demmer Corporation's behalf are strictly prohibited. This prohibition also applies in areas where such activity may not violate local law.

If you as a supplier suspect an impropriety in the procurement process by a Demmer employee, you are expected to notify our Human Resources Department at 517-321-3600. They will contact you with the disposition of your concern.

#### **Child Labor**

Demmer Corporation will not engage in or support the use of child labor. Suppliers are expected to comply with applicable local child labor laws and employ only workers who meet the

applicable minimum legal age requirement for their location. In the absence of local law, suppliers shall not employ children under the age of 14.

**Forced Labor**

Demmer Corporation will not engage in or support the use of forced or involuntary labor. Demmer Corporation will not purchase material or services from a supplier utilizing forced or involuntary labor.

**Compensation and Working Hours**

Demmer Corporation pays employees a competitive wage. Suppliers are expected to comply with all applicable wage and hour labor laws and regulations governing employee compensation and working hours.

**Discrimination**

Demmer Corporation supports diversity and equal opportunity in employment. Unlawful discrimination in the workplace is not tolerated. Suppliers are expected to comply with all applicable local laws concerning discrimination in hiring and employment practices.

**Environment**

Demmer Corporation respects the environment and conducts its operations in compliance with applicable laws and regulations. Suppliers are expected to conduct their operations in a way that protects the environment. Suppliers are expected to comply with all applicable environmental laws and regulations in the countries in which they operate.

**Health and Safety**

Demmer Corporation is committed to the safety and health of its employees and conducts its operations in compliance with applicable laws and regulations. Suppliers are expected to provide a safe working environment that supports accident prevention and minimizes exposure to health risks. Suppliers are expected to comply with all applicable safety and health laws and regulations in the countries in which they operate.

**Confidential Information**

Demmer Corporation is dedicated to complying with applicable laws concerning proprietary, confidential and personal information. Suppliers are expected to comply with all applicable laws and regulations governing the protection, use and disclosure of Demmer Corporation proprietary, confidential and personal information. Demmer Corporation expects all Suppliers to sign a Non-Disclosure/Non-Compete document prior to doing business.

**CONTACT INFORMATION**

For questions or comments on the Demmer Corporation Supplier Code of Conduct, please contact Human Resources at: [www.demmercorp.com](http://www.demmercorp.com). Violations of the Demmer Corporation Supplier Code of Conduct should be reported using one of the following confidential options:

Telephone: 517-321-3600

Mail: Demmer Corporation  
Attn: Human Resources  
1600 N. Larch St  
Lansing, MI 48906

## **NON-COMPLIANCE REPORTING**

The Demmer Corporation Code of Conduct is based on the Demmer Corporation Business Conduct Guidelines, which can be found online at: [www.demmercorp.com](http://www.demmercorp.com)

### **1.4. Terms and Conditions**

All Purchase Orders issued by Demmer Corporation include by reference General Terms and Conditions. The current revision of General Terms and Conditions is located on Demmer Corporation's website ([www.demmercorp.com](http://www.demmercorp.com)).

### **1.5. Supplier Insurance Responsibilities**

See Demmer Corporation's Terms and Conditions at [www.demmercorp.com](http://www.demmercorp.com)

### **1.6. Subcontracting**

Supplier shall not subcontract any portion of work contracted by buyer to the supplier unless prior written authorization is issued by Demmer Corporation's Purchasing Department. Supplier is obligated to notify Demmer Purchasing of their intent to subcontract, in a timely manner so that appropriate reviews, approvals or denial can be completed without adversely affecting deliveries.

### **1.7. Supplier Control Levels**

All approved Suppliers are assigned a Control Level, which is based upon results of periodic performance reviews. The performance reviews consider such factors as; quality, delivery, responsiveness, and others if applicable. The Control Levels begin with Level 1, which is the highest level and the most preferred. The levels then drop from Level 2 through Level 5. Level 5 places the Supplier in danger of being removed from the approved supplier list. Suppliers begin at Level 1 and will receive written notice if a change of assigned Control Level is warranted.

### **1.8. International Traffic in Arms Regulations (ITAR)**

Supplier is responsible for reviewing each Purchase Order to determine if ITAR is applicable to the specific order. Where ITAR is identified as a Purchase Order requirement, Supplier shall comply with all applicable requirements of the regulations. The full text of ITAR can be located on the internet at: [http://www.pmdtdc.state.gov/regulations\\_laws/itar\\_official.html](http://www.pmdtdc.state.gov/regulations_laws/itar_official.html)

### **1.9. Federal Acquisition Regulation (FAR) / Defense Federal Acquisition Regulation Supplement (DFARS)**

Supplier is responsible for reviewing each Purchase Order to determine if FAR/DFARS are applicable to the specific order. Where FAR/DFARS are identified as a Purchase Order requirement, supplier shall comply with all applicable FAR/DFARS as defined in or referenced by the order. Upon acceptance of a purchase order, Supplier assumes responsibility for compliance which includes appropriate flow down of such applicable requirements to sub-tier Suppliers. The full text of FAR's and DFARS can be found on the internet. To locate, see either: <https://www.acquisition.gov/far> or <https://www.acquisition.gov/dfars>

#### **1.10. Reporting an Ethics or Other Work Related Concern**

Demmer Corporation encourages suppliers who have ethical questions or concerns to ask questions or report concerns by electronic mail or telephone at the contact information below:

Email: [demmercompliance@demmercorp.com](mailto:demmercompliance@demmercorp.com) or 1-877-256-5763.

#### **1.11. Control and Traceability Requirements for Demmer Corporation Supplied Material**

See Control and Traceability Requirements for Demmer Corporation Supplied Material, which can be found at [www.demmercorp.com](http://www.demmercorp.com)

## 1.12. Evaluated Receipt Settlement

### ERS Supplier Guidelines

Among the guiding principles of Demmer Corporation is a commitment to continuous improvement in everything we do.

As part of this commitment, we have launched an Evaluated Receipts Settlement (ERS) process with production parts, raw material, and MRO suppliers with a major focus on data quality and consistency between Demmer Corporation and supplier's records.

Simply put, ERS is a means for eliminating the need for suppliers to prepare and furnish an invoice (either delivered document or electronic transmission) in settlement of the sale of goods by the supplier to Demmer Corporation. Suppliers will be paid based on the quantities received at the unit price established on purchase order/contract with Demmer Corporation purchasing.

### Receipt Confirmation

In order to provide suppliers visibility and feedback on all shipments made to Demmer Corporation, Demmer will provide each supplier with a Receipt Confirmation report. The report will be sent in the 3<sup>rd</sup> week of each month for shipments received from 1<sup>st</sup> to the 15<sup>th</sup> of each month and the 1<sup>st</sup> week of each month for shipments received from the 16<sup>th</sup> to end of the prior month. The report will include:

- Packing slip #
- Internal Reference #
- Supplier's Part #
- Unit Price
- Purchase Order #
- Receipt Date
- Quantity Received/Unit of Measure
- Extended Price

## 2. Quality

### 2.1. **Quality System Requirements**

It is the expectation of Demmer Corporation that its suppliers have quality systems that are in compliance with ISO-9001 or TS16949 or AS-9100. Demmer Corporation encourages its suppliers to become third party certified to one of these three standards. Demmer will only recognize third party certificates issued by registrars recognized by ANAB. Third party registration will relieve the supplier from audits by Demmer Supplier Quality. Other supplier improvement activities may still be required.

Suppliers without third party certification will be subject to audits by Demmer Supplier Quality. Audits will be conducted to validate compliance to the requirements of ISO-9001. Any non-conformances detected during the audit will require immediate corrective action.

### 2.2. **Measurement System**

It is the expectation of Demmer Corporation's Quality Department that suppliers will have immediate access to the resources required to validate the conformance of the products or services which they provide to Demmer Corporation. This includes:

- Appropriate dimensional inspection resources with work envelopes adequate for the products produced
- Appropriate dimensional inspection resources with sufficient resolution and accuracy to appropriately assess conformance to specified tolerances (accuracy/resolution 10% of tolerance)
- Qualified personnel available to complete measurements and testing
- Capability of interpreting the provided Technical Data Packages including GDT
- A system to quantify any error induced by the measurement system, gage R & R, measurement uncertainty etc.
- Appropriate work instructions etc. for conducting tests and performing inspections
- Records of all activities maintained
- Calibration of measurement and test equipment at adequate frequencies and with traceability to NIST.

### 2.3. Order of Precedence for Technical Documents

The following order or precedence for technical documents shall apply:

- Purchase Order
- Quality Assurance Provisions
- Drawings - Model
- Specifications cited on prints

In the event both a model and drawings are available please contact your buyer for direction on what is master.

Demmer Quality Assurance does **not** recognize verbal design changes or any verbal direction differing from the provided technical documentation. Demmer Quality Assurance does not recognize any written changes which are released from any source other than your buyer. Any alterations to design or specifications made without written authorization from your buyer will be rejected.

### 2.4. First Piece Submissions

Prior to shipment of production quantities of product to Demmer facilities, a first piece sample submission must be made to the supplier quality lab at the specified facility. The requirements for the submission will be designated on the Quality Assurance Provision check sheet as indicated on the purchase order.

All submissions as a minimum will contain a 100% dimensional inspection of one piece. This inspection is to be documented in a manner that communicates the nominal, tolerance, equipment used, result and pass or fail. Dimensional reports are to be signed and dated and are to include the part number and revision. In addition all dimensions will be sequential number on the blue print and will be referenced on the inspection report.

Test results for all other requirements will be provided if the supplier is contracted to perform the service. This includes but is not limited to material, coatings, welding, marking and any other contracted services. All results are to be signed, dated and shall indicate passing status.

In some cases a PPAP to AIAG requirements may be required; the default level for submission is level 3. Please refer to AIAG publications for guidance.

In the event a non-conforming condition is detected during the first piece sample activities is detect do **not** submit the sample to Demmer Quality, contact your buyer for further direction.

All First Piece sample submissions are to be identified with an 8 ½" by 11" bright Yellow or Orange label which clearly states "**First Piece Parts**" – "**Deliver to Quality Lab**". The First Piece Samples must also be accompanied with a properly completed Part Submission Warrant Form. Reference: AIAG Form # CFG-1001, unless otherwise directed by the Purchase Order. Suppliers shall not ship production quantities until you have received written approval for the samples from Demmer Quality.

Supplier is responsible to provide, with the sample submission, contact information, including name and e-mail address of the person(s) expected to receive information regarding the acceptance or rejection of the submitted sample.

This approval does not relieve the supplier from the responsibility for producing conforming product.

As a Demmer supplier you are responsible for demonstrating 100% conformance for all product characteristics that you have been contracted to produce.

## **2.5. Process Changes**

All process changes completed by a supplier for services or products supplied to Demmer Corporation must be approved by Demmer Corporation. This approval must be obtained in writing prior to the process change. A new sample submission may be required. Demmer Corporation considers the following to be process changes:

- Changes to sub suppliers of materials, parts or services
- Changes in equipment
- Changes to the process flow
- Changes in methods (i.e. robotic vs. manual weld)
- Changes in location
- Changes in approved inspection methods
- Changes in process parameters

## **2.6. Special Processes**

Special processes are any processes for production or service where the resulting output cannot be verified by subsequent monitoring or measurement. This includes any processes where deficiencies become apparent only after the product is in use or the service has been delivered.

The Demmer list of special process includes but is not limited to:

- Welding (any type)
- Paint
- Plating
- Other Coatings
- Armor Processing

- Digital Product Definition
- Heat Treat
- Non-Destructive Testing
- Testing and Measurement including dimensional validation

Suppliers performing special process for the Demmer Corporation have to be appropriately qualified, approved and their status included on their scope of approval on the Demmer approved supplier list.

If you are not sure of your status with regard to what special processes you are allowed to perform please contact your buyer for direction. You should not under any circumstances proceed with any of these activities without verifying your approval status.

## **2.7. Certificates of Conformance**

When specified on the Demmer Quality Assurance Provision checklist, the supplier is to provide a certificate of conformance (C of C) with every shipment. The purpose of the C of C is to provide Demmer with documentation confirming that the supplied product meets all purchase order, design and specifications requirements. The signed C of C is a record that all of the inspections and test requirements are completed, they have been reviewed by a responsible individual and were found to be acceptable.

The C of C does not release the supplier from maintaining complete records of inspection and test. All of the required records must be available upon request.

## **2.8. Inspection and Test**

It is the expectation of Demmer Corporation that suppliers will perform inspection and testing required to demonstrate the ongoing conformance of supplied products and services to the supplied specifications. This includes:

- Establish frequencies for inspection and test activities
- Establish the appropriate samples sizes
- Establish the proper measurement and test equipment (see measurement and test)
- Establish the characteristics to be inspected
- Establish accept/reject criteria
- Document Inspector
- Document Date
- Document Part
- Document results
- Document accept/reject
- Document actions taken when non-conforming material is detected

The supplier is to maintain inspection records for 7 years after activity is complete. Records should be available for review within a reasonable time frame.

Completing inspection and test without documenting and retaining the results is unacceptable.

## 2.9. Non-Conforming Material

As a supplier to Demmer you are expected to ship 100% conforming material 100% of the time. In the event you produce non-conforming material you are required to submit a request for deviation to your buyer and to receive formal written permission prior to shipping any material. Any deviations submitted are to include a specified ship quality and the proposed corrective action to eliminate the non-conformance. Demmer Corporation has not been granted any authority from its customer to allow for the shipment of non-conforming material. All deviations will have to be submitted to our customer. The time to complete this activity should be considered when determining the activities required to maintain the delivery commitments to Demmer.

In the event the non-conformance or potential non-conformance is not detected until after the product has been shipped you are required to immediately notify your buyer of the issue in writing. This notification also applies to the potential that non-conforming product has been shipped.

In the event the non-conformance is discovered by a Demmer facility you will be notified in writing of the issue. The notification will usually be in the form of a Demmer Non-conformance Material report via e-mail.

You are required to:

- Immediately contain any stock at your location and 100% sort for the issue
- Response to the issuing source required within forty eight hours (48) describing your intended containment actions at Demmer Corporation
  - **Note:** Failure to respond within the (48) hours provides Demmer Corporation the option to determine and proceed with appropriate containment actions. Cost associated with such actions shall be the responsibility of the Supplier.
- Authorize any sort or rework activities at Demmer
- Provide a formal corrective action plan within ten (10) days

Corrective actions are to be formal and per the format prescribed by your quality system. In the event you do not have a prescribed format for corrective action in your quality system you are required to use the format available at the Demmer Supplier website. At minimum your corrective

action must address; containment activities, team members, description of the problem, identified root cause, activities completed to eliminate the source of the non-conformance and preventative activities. Responsibilities and target dates must be included for all actions to be taken.

You will be rated on the number of corrective actions, corrective action response time and the quality of the submitted corrective action.

## **2.10. Cost Recovery Policy**

It is a policy of Demmer Corporation to recover appropriate costs associated with the receipt of non-conforming products/materials from suppliers. Reference Terms and Conditions section 5 (A).

## **2.11. Subcontracting Control**

Demmer suppliers are required to flow all requirements from Demmer to their subcontractors. This includes but is not limited to:

- Purchase Order Requirements
- All requirements of this Supplier Manual
- All requirements for approved Quality Systems
- All ITAR and FAR/DFARS requirements
- All Print and Specification Requirements
- All Quality Assurance Provision Requirements
- Any Requirements Flowed Down from Demmer Customers

It is the expectation of Demmer Corporation that its suppliers will have an active program for supplier selection, supplier approval and ongoing monitoring of supplier performance.

Demmer suppliers shall not outsource any activities without written consent from the Demmer Purchasing Department.

## **2.12. Welding Supplier Requirements**

No supplier shall weld any products for the Demmer Corporation without obtaining a Demmer Special Process approval certificate.

To obtain certification the supplier must:

- Successfully pass the Demmer Corporation Weld Special Process Audit. 100% score is required.

- Have a formal, documented welding system which clearly describes all of the activities and responsibilities required for performing welding
- Have on staff or on retainer adequate technical weld staff (CWI, degreed weld engineer)
- Be capable of developing WPS and PQR's per the requirements of the applicable standards
- Have the capability of performing or contracting for all of the required testing
- Provide ongoing release activities of all welded components by a CWI
- Have an appropriate training program for welders and inspectors
- Provide 100% weld inspection of all welded joints
- Have a system of internal auditing for the conformance of the welding system to all requirements

### 3. Packaging

#### 3.1. **Packaging Instructions**

1. Parts should be packaged, using best commercial and environmentally sound practices.
2. The packaging must maintain the quality of the product you are shipping. Corrugated boxes, crates and pallets must be constructed so as to maintain their structure and protection for the parts, all the way through the supply chain system.
3. When possible, packaging should be developed so that it can be stacked in the warehouse.
4. No corrugated pallets. Hardwood or softwood pallets are acceptable. Pallets must be in good condition.
5. Steel banding, poly banding or stretch wrap are acceptable methods of unitization.
6. In some cases you may receive specific packaging direction for parts from Demmer personnel or on your PO.

#### 3.2. **Product Identification**

##### Direct part marking (DPM):

Our customers have started requiring laser etching, dot peening or some form of direct part marking of parts. Please refer to your PO if this service is requested for parts that are awarded to you. The depth, type and any other specifications for this process will be provided to you by Demmer Corporation.

##### Pack Identification:

1. Pack contents must be identified on the packaging.

2. Preferred method of identification will be provided by your PO or by Demmer personnel. A typical example of product identification is an 8.5"x11" brightly colored piece of paper with part number, program name, job number and quantity per box/pallet.
3. The implementation of bar code labels is also under development. More details to follow.

#### Shipping Paperwork

1. In order to receive product, shipping paperwork must accompany each delivery of goods.
  - a. Packing slips must be computer generated, not hand written.
  - b. It must state: PO number, Job number, Demmer/Customer Part number, description, shipped quantity, "Attn to" and an invoice/packaging slip number.
  - c. We suggest that packing slips contain a carbon copy/duplicate copy, that will be signed upon receipt of goods. This can be returned to the vendor with the driver for proof of delivery.
2. Please refer to Quality Assurance Provisions (attached to your PO) to see if additional paperwork is required, such as a Certificate of Conformance, test reports or other stated documentation.

## 4. Safety & Environmental

### **4.1. Environmental, Health & Safety Supplier/Contractor Requirements**

Demmer Corporation maintains rules of conduct, work practice, safety and environmental standards that are expected of all employees. They are necessary to assure a safe working environment and to be in compliance with MIOSHA, DNRE standards and the ISO 14001 Environmental Management System. Like our employees, we expect that suppliers, contractors and their sub-contractors will comply with the same procedures and practices while on Demmer Corporation property.

Our **Environmental Management Policy** states:

*It is the policy of Demmer Corporation to maintain its property and facility free from recognized environmental hazards, to continually improve its processes towards the goals of waste elimination, recycling and pollution prevention.*

*Demmer Corporation management is committed to comply with applicable legal and other requirements. It is the responsibility of management to clearly document and communicate all relevant environmental requirements to all employees, suppliers, contractors, and subcontractors that may work on Demmer Corporation's behalf.*

*Every employee is responsible – as a condition of employment – to comply with all environmental rules, regulations and standards, including the prompt reporting of any environmental spills or other environmental issues.*

*Every employee is expected to maintain an awareness of environmental integrity and bring to the attention of their direct supervisor or the Environmental Management Representative any undesirable environmental situation or opportunity for pollution prevention.*

The nature of supplier/contractor activities is such that their personnel have significant potential to affect the environmental, health and safety performance and regulatory compliance of the facility. Supplier/contractor personnel and the facility must therefore work together to achieve the facility's environmental policy, the environmental objectives and targets, and the protection of the environment, as well as performing tasks in a safe manner to prevent injury to supplier/contractor and Demmer personnel.

Supplier/contractors must be aware of the importance of compliance with relevant environmental, health and safety legislation and regulations, and the consequences of non-compliance.

The supplier/contractor is responsible for completing and returning the Supplier/Contractor Questionnaire, Form F-25.17, which includes a scope of work to be performed, to Demmer Corporation Safety Manager.

The supplier/contractor is responsible for communicating to all supplier/contractor personnel, as well as sub-contractor personnel, the information in this document as well as information from the Supplier/Contractor Briefing Package.

The following is a list of major environmental, health & safety practices.

**Failure to comply may result in suspension of the job.**

**Environmental Management Requirements:**

1. Supplier/contractors shall not allow discharges to drains and/or sewers without prior approval from the Environmental, Health and Safety Manager/designee.
2. Supplier/contractors shall provide adequate spill/release prevention for all bulk materials.

3. Supplier/contractors shall immediately notify the Environmental, Health and Safety Manager/designee and the project manager of any spills, releases, or other environmental incidents.
4. Supplier/contractors shall immediately notify the Environmental, Health and Safety Manager and the project manager of any abnormal conditions found during excavation at the facility. Visibly discolored soils, soils with a discernible odor, and/or heavily stained concrete shall not be removed from the site without prior approval of the Environmental, Health and Safety Manager/designee.
5. Supplier/contractors shall properly label, store, and dispose of all waste materials generated from their activities per Demmer Corporation Procedures or guidance.
6. If Demmer Corporation personnel are required to work with potentially hazardous materials brought on-site by a supplier/contractor, prior approval of the material by the Environmental, Health and Safety Manager/designee is required.
7. Supplier/contractors must be sensitive to the effects of noise, odor, light, fugitive dust emissions, and traffic movement to the facility and in the local community.
8. Supplier/contractors shall be required to prepare and maintain records pertaining to the work performed in accordance with environmental, health and safety regulatory requirements, including record retention requirements.
9. Supplier/contractors shall ensure protection of the natural environment surrounding the work area.
10. Supplier/contractors shall ensure that all employees are properly trained on such things as the proper handling of material and equipment, appropriate response to incidents involving their material and general information relating to the Demmer Corporation Procedures and work instructions. Work procedures are available upon request.

**Safety and Health Requirements:**

**Conduct:**

1. Unauthorized removal of material from Demmer Corporation is prohibited.
2. Carrying or use of firearms, intoxicants, illegal controlled substances is strictly prohibited.
3. Cell phones and cameras, still or video, are not allowed unless given written approval by Demmer Corporation.

4. Smoking is permitted in designated smoking areas only (located outside of the facility in specific areas). Smoking inside any building or structure is prohibited.

#### **Personal Protective Equipment (PPE) and Clothing Requirements:**

1. Approved ANSI type safety glasses with permanent side shields must be worn at all times except in office areas. If permanent prescription glasses are without permanent side shields, over-the-glass visitor safety glasses must be worn over regular glasses at all times.
2. Safety shoes with protective steel or composite toes meeting ANSI requirements for protective footwear must be worn while in the production areas.
3. Hearing protection must be worn at all times in designated areas.
4. Fall protection is required when operating all aerial lifts.
5. Hard hats must be worn when working where an overhead hazard is present (i.e. operating an overhead crane, working in an aerial lift, etc).
6. Other PPE may be required for a specific job or task, such as gloves or protective sleeves. Check with the individual contracting your services for any task specific PPE requirements.
7. Shirts with sleeves must be worn; no tank tops, muscle shirts, bare midriffs, etc.
8. Full length pants are required; no shorts.

#### **Flammable Liquids:**

1. All flammable liquids must be sealed when not in use.
2. All flammable liquids must be labeled as to the identity of the contents and the hazard. (i.e. flammable, combustible. Using the NFPA/HMIS Labeling System)
3. Flammable liquids may only be dispensed from approved safety containers with self-closing lids, flash arrestor, and pressure relief devices.
4. All flammable and hazardous waste must be stored in accordance with Demmer Corporation guidelines for storage of hazardous wastes. **All flammable liquids must be stored in approved containers.** Contact the Environmental Health and Safety Manager/designee, Maintenance or Facilities Manager for assistance.

### **Hand Tools:**

1. All hand tools, power tools and equipment must be in safe working condition. Guards shall be present and used on all grinders, saws and other equipment normally designed with a guard in place. Attachments, abrasive wheels, bits, etc shall be rated for the tool.
2. Flexible power cords must be a three wire cable with proper ground attachments and continuous in length without a splice or break. Cords are not to exceed 100' in length.
3. Portable work lights shall be equipped with substantial guard over the bulb.

### **Housekeeping:**

1. Work areas must be kept clean and rubbish removed from the premises daily.
2. All equipment and materials are to be stored in a safe manner and out of the main aisles.
3. Electric cords, air hoses, etc., across main aisles are to be strung overhead when feasible and supported safely.
4. Spills of liquids must be cleaned up and reported immediately. Report spills to the Environmental, Health and Safety Manager/designee.
5. Ask your site contact for the appropriate location to store tools/equipment/materials that will be left on-site for the project duration.

### **Ladders - Scaffolds - Platforms - Elevating Equipment:**

1. Work from ladders, scaffolds, and elevated work platforms must be barricaded at the ground/floor level to prevent persons from walking beneath the ladder, scaffold, or elevated lift platform.
2. All equipment must be in safe working condition. Ladders shall be sufficient in length. You may stand no higher than the third step from the top of the ladder.
3. Scaffold platforms must be equipped with standard handrails and toe boards. (It is Demmer Corporation Policy to wear Fall Protection when working in our Facilities)

### **Demmer Corporation Equipment:**

1. Use of forklifts, aerial lifts, overhead cranes, vehicles, welding equipment and other items owned by Demmer Corporation is prohibited, unless authorized by Demmer Corporation Management.

Supplier/contractors are expected to provide the necessary equipment unless prior arrangements have been made with Demmer Corporation personnel. Proof of license / training to operate Demmer Corporation owned equipment will be required.

**Pits and Excavations:**

1. All openings shall have adequate physical barrier protection sufficient to exclude entry and suitable warning lights where required.
2. Open trenches and/or excavations shall be protected against slides and cave-ins in accordance with MIOSHA Construction Standards.
3. Where hazardous conditions exist appropriate warning signs shall be posted.

**Electrical Safe Work Practices:**

1. Supplier/contractor personnel are **NOT** authorized to turn "ON" or "OFF" main supply lines except to avert a hazard in an emergency situation. Work on electrical systems will follow the requirements of Demmer Corporation's Lockout/Tagout program and the MIOSHA standards governing Safe Electrical Work Practices.

**Welding/Cutting:**

1. Under **NO** circumstances will any welding and/or burning be permitted without a **Hot Work Permit** from the Maintenance Department or Safety Coordinator. Portable fire extinguishers must be immediately available and ready for use. Welding flash must be concealed from others by use of noncombustible barriers.

**Compressed Gas Cylinders:**

1. Compressed gas cylinders are to be properly secured at all times. When not actually connected for use, regulators will be removed and the valve safety cap installed.
2. Oxygen cylinders are to be separated from fuel gas cylinders by at least 20 feet when not connected for use.

**Lockout/Tagout:**

1. Demmer Corporation has in effect Lockout/Tagout procedures. Supplier/contractors will follow the lockout procedures prescribed by Demmer Corporation when performing work on equipment or facility systems. The Demmer Corporation Lockout/Tagout Policy is available upon request.
2. Demmer Corporation enforces a zero tolerance Lockout/Tagout Policy. Failure to properly de-energize equipment will result in termination of work.

### **Hazard Communication Information:**

1. Pursuant to MIOSHA's Hazard Communication Standard, the following information is available to all supplier/contractors and should be reviewed prior to beginning work on Demmer Corporation property.
  - a. A copy of the Written Hazard Communication program.
  - b. Identification of the hazards associated with the work area(s).
  - c. The Material Safety Data Sheets (MSDSs) for the hazardous chemicals in use on-site.
  - d. The appropriate protective measures required in the work area(s).

### **NOTE:**

Supplier/contractors **SHALL** provide a copy of the Material Safety Data Sheet for every chemical they bring onto the premises.

### **EMERGENCY SITUATIONS:**

In case of emergency situations, immediately notify your site contact and/or other appropriate personnel. Supplier/contractor should review company emergency response maps and procedures to ensure safety of contracted employees in the event of an emergency. (You may obtain a copy of this map by contacting the EHS Manager, Project Manager or their designee)

### **Evacuation**

In the event of an evacuation, leave the building immediately and report to the supplier/contractor's supervisor at the designated assembly area per evacuation map. Stay at the outside assembly area until all supplier/contractors' employees are accounted for. The facility warning system will notify you to evacuate.

### **Severe Weather**

Should a tornado or other severe weather warning be announced, go to a designated storm shelter inside the Demmer Corporation Facility. Reference the company emergency response map for shelter locations. The facility warning system will notify you to seek shelter.

### **First Aid**

Report all injuries immediately to your supervisor or project manager. First aid kits and Automated External Defibrillators (AEDs) are available on-site for use by trained personnel.

### **Injury Reporting**

Report all injuries immediately to your supervisor and/or project manager. The on-site supervisor for the supplier/contractor is responsible for completing an incident investigation and reporting the incident to their Demmer Project Manager. Immediate notification is required for off-site medical treatment and/or assistance contacting 911 for emergency medical services.

## **4.2. Safety Requirements**

All on-site suppliers and contractors, including sub-contractors, must complete the Environmental, Health & Safety (EHS) Supplier/Contractor Performance Packet, form F-25.17, which can be found on the Safety & Environmental section of [www.demmercorp.com](http://www.demmercorp.com) prior to commencing on-site work.

**Questions and or suggestions may be addressed to:**

**Demmer Corporation Purchasing Department**

**1600 North Larch**

**Lansing, MI 48096**

**(517) 321-3600**

**[www.demmercorp.com](http://www.demmercorp.com)**