

HAYS Working for
your tomorrow

PLAY IT SAFE

Legally compliant use of independent freelancers/subcontractors





Compliant Sourcing[®] is a Hays recruitment consulting concept that supports the compliant use of independent freelancers/subcontractors options such as service contracts, statements of work and temporary work.

Hays Compliant Sourcing[®] is aimed at:

Management and executives

who want to actively handle organisational and processual risks of the use of independent freelancers/subcontractors.

Purchasing and procurement managers

who want to review and fine-tune their existing measures and processes around Compliant Sourcing[®].

HR managers

who recognise the relevance of the topic in procuring external experts and proactively want to avoid risks.

Department managers

who want to expand their sourcing compliance system to include a risk-based and market-based approach.

Legal and compliance managers

who are looking to promote the implementation of recruitment best practices.





“External experts are one of the key success factors for Germany and also help drive the innovative power of our economy. Working together with our customers, we can meet the challenge of deploying them in a fully compliant manner.”

In today’s fast changing world, companies are faced with enormous challenges which regularly require external know-how and personnel to be tackled. Because this is the only way to stay innovative and competitive.

At the same time, when using external experts, it is important to transparently comply with legal requirements when it comes to service contracts, statements of work and temporary contracts.

As a personnel service provider with more than 20 years of experience, we have built up Compliant Sourcing® concept and know exactly how external experts can be deployed in full compliance with the rules. The basis for this is our deep understanding of the regulations and legislation as well as our proven process and methodological knowledge.

We guide you in the implementation and adaptation of processes and organisational measures. We’ll never leave you alone out on a ledge.

And that’s a promise!

Christoph Niewerth
Managing Director at Hays

STAY ON TRACK

Compliance is not optional, it's mandatory. Making sure your external specialists are deployed compliant with rules becomes a complex topic in view of stricter requirements and the desire for more transparency.

Each individual form of employment has its own typically unique set of questions.

Contracts for work and services

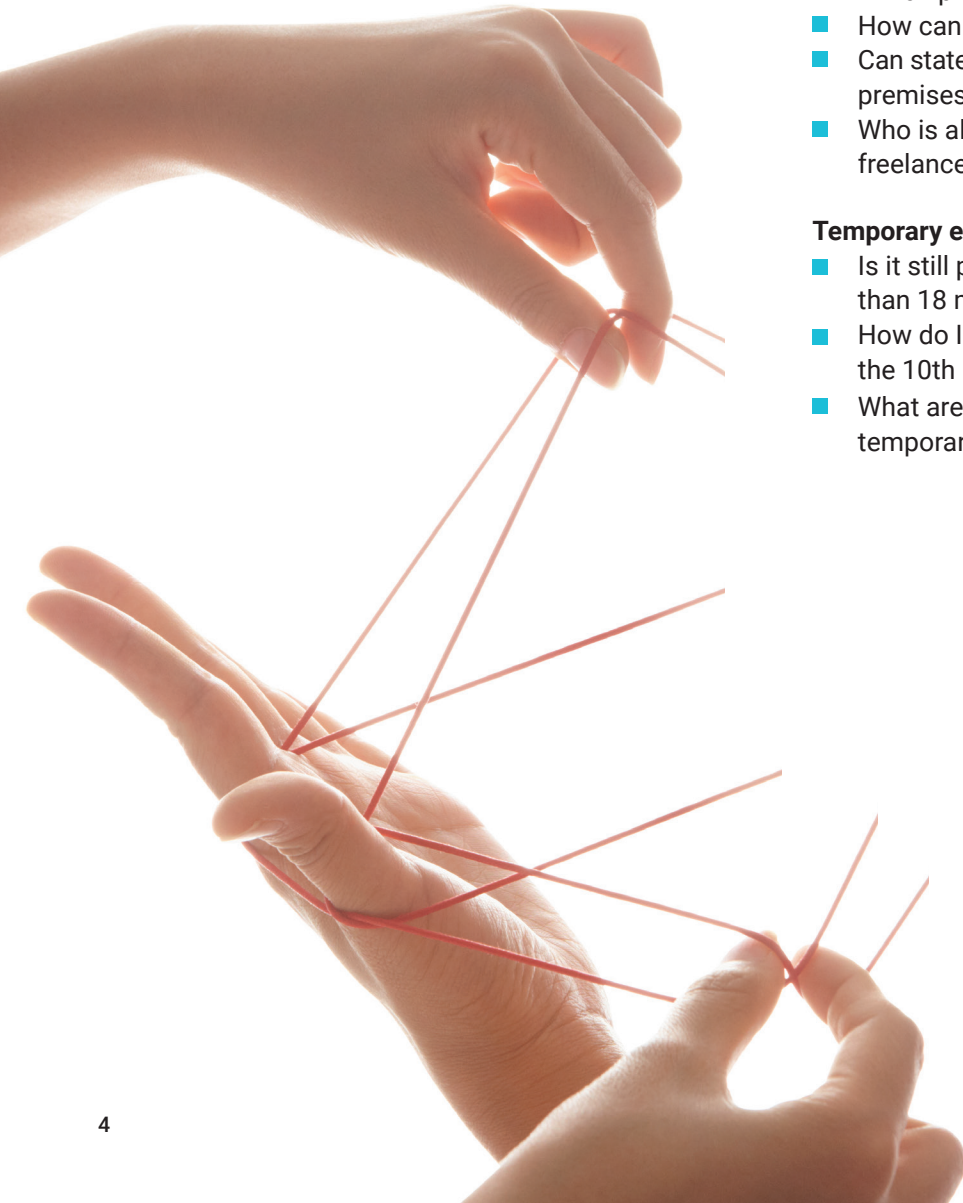
- What legal aspects need to be taken into account when drawing up a service contract for a freelancer?
- Which processes must be adapted internally?
- How can integration into the organisation be avoided during a project deployment?

Statements of work

- Which projects can be awarded as statements of work?
- How can external resources be better identified as such?
- Can statements of work be carried out on a company's premises?
- Who is allowed to give instructions to independent freelancers/subcontractors?

Temporary employment

- Is it still possible to engage a temporary worker for more than 18 months?
- How do I find out what the required salary should be after the 10th month of deployment?
- What are the exceptions to the equal pay principle for temporary workers?



GOOD REASONS FOR WORKING WITH HAYS

Using the Compliant Sourcing® concept developed by Hays, you can draw up and realise your service contracts, statements of work and temporary contracts compliant with the rules. This keeps you on the safe side with the deployment of independent freelancers/ subcontractors.

Your needs

You need

external specialists with expert knowledge who can provide short-term consultancy for your projects, handle fluctuating work demands and business situations or bring innovative ideas to your product development.

You must

meet legal requirements for the use of third-party resources and implement these together with your personnel services provider.

You expect

a consultancy who is well-versed in all aspects of compliant sourcing, who knows all applicable legal requirements in detail and who is always there, by your side, offering you the entire range of flexible deployment options you need.

Our services

We are thoroughly acquainted with all the important aspects of using external specialists and are very well aware that simple solutions - such as merely ticking items off a checklist - are usually not enough. Working closely with you, we will analyse your processes and organisational measures so that together we can optimize them. At the same time, we will also take into consideration your individual framework conditions and requirements.

If required, we can also support you with workshops, staff training and further measures that complement our Compliant Sourcing concept.

Through continuous, systematic monitoring of your use of third-party personnel, we can help you to work in compliance with the rules throughout the entire contract period.

YOU CAN **COUNT** ON HAYS!

Anyone using external staff needs to be well informed about the corresponding legal requirements governing their use and have a well-informed partner they can call on when required. Since 1995, Hays has carried out more than 100,000 individual deployments in the form of service contracts, statements of work and temporary employment. This is the best way to combine legal requirements and individual needs.



Our strengths

- Complete range of services for the use of external experts
- Compliance certification in accordance with TR CMS 101:2015 (incorporating ISO 19600 for compliance management systems)
- Neutral consulting team
- Tailored solutions for individual customer needs
- Best practices derived from more than 1600 consulting meetings
- A strong and comprehensive compliance culture with clear ethical standards
- Sustainable engagement in associations and labour market policy
- Active engagement with legislative changes around the use of external personnel





EXTERNAL RESOURCES? ABSOLUTELY!

When using external specialists, companies need to ensure they are legally compliant. After all, there are strict requirements. Nevertheless, the demand for external specialists is still extremely high. Carlos Frischmuth, Managing Director at Hays, explains why this is the case and how by consistently using Compliant Sourcing, pitfalls can be avoided.

▶ **Mr. Frischmuth, why is it so important that all available instruments for flexible staffing be preserved and used?**

The shortage of skilled workers is continuously increasing and the population is getting older. At the same time, the economy and labour market are gaining momentum. With this in mind, if we want Germany to remain the innovation and high-tech giant that it is, using instruments such as service contracts, statements of work and temporary employment with qualified experts can't be treated like an irksome inconvenience. Rather, these must continue to be used as flexible instruments in an agile labour market.

▶ **However, it is becoming increasingly complicated to us them in accordance with the rules. What effect is this having on companies?**

Compliance is now a mandatory part of company policy. Many companies are insecure in the face of the many rules and changes. After all, the past has repeatedly shown that violations of the law entail sanctions that are not only expensive, but also cause painful damage to a company's image.

▶ **How are companies reacting to this?**

More and more companies are viewing this as a problem for management and are relying on proven service providers. Our customers also want to know how to use external personnel according to the rules. We can provide the right answers because we know what we're talking about: Hays has carried out hundreds of talks and workshops on Compliant Sourcing - and we like sharing our experiences.

▶ **What sets Hays apart when it comes to flexible staffing?**

Hays has been on the market for over 20 years and has played a key role in shaping it. We are very familiar with all types of legal assignments and have a comprehensive pool of highly qualified experts. In addition, we have made the topic of compliant sourcing really well known on the market. We also have a strong competence team that is happy to assist our customers in every way.

THREE STEPS TO GREATER **SECURITY**



Our three-stage consulting service will help you optimise your compliance structures.

1 Analysis and recommendations for action

Through detailed discussions and the examination of relevant aspects, we identify potential need for action in the sharpening of compliance structures when it comes to the use of service contracts, temporary employment and statements of work. Together we determine which measures are necessary to implement and find the right way, to ensure that external personnel can continue to be in compliance with the law and regulations.

2 Optimisation

We then help you to implement the agreed measures in a targeted and sustainable way and quickly introduce your newly created Compliant Sourcing processes. We strengthen your expertise and, together with you, ensure you are fully compliant with all currently applicable legal requirements. Only when all stakeholders are pulling in the same direction can recommendations for action be consistently implemented in the company.

3 Monitoring

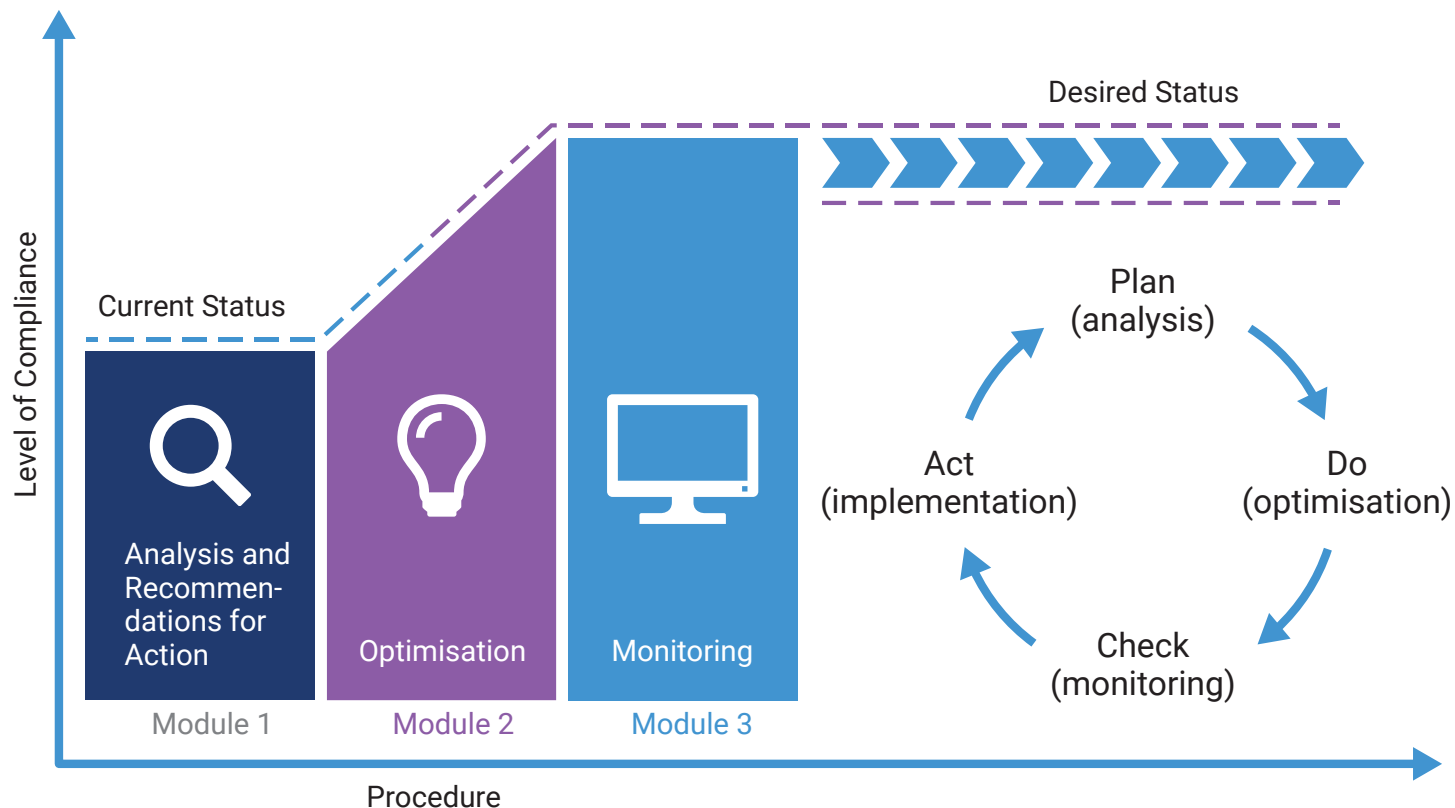
Especially after the optimization of the processes the compliance level must be maintained. And you can rely on us here, too: Together we define intervals after which we will review the optimised compliance structure in a transparent und traceable manner.

“Existing processes must continuously be reexamined. In doing so, it’s important that companies be fully conversant in all the procedures involved in deployments so that they are able to recognise possible points of action when they arise. This is where individual and coordinated approaches are indispensable. Both parties can only challenging this demanding task together.”

Matthias Kossin,
Department Manager, Compliant Sourcing
at Hays



Compliant Sourcing requires accurate analysis and continuous monitoring.
We will help you to avoid legal risks when using external personnel.



Potential outcomes

- ✓ Increased transparency
- ✓ Improved compliance culture
- ✓ Optimised sourcing processes
- ✓ Reduced financial risks



WE ARE COMMITTED!

Hays is one of Germany's most actively engaged personnel services providers when it comes to labour market policy. With our Representative Office and our Public Affairs unit, we are helping to shape the political decision-making process. We are closely in touch with legislative processes and have close involvement and discussions on employment policy as well as with government ministries and associations.

Hays is a founding member of the [Bundesverbandes für selbständige Wissensarbeit e.V.](#), (Federal Association for Independent Knowledge Work), which represents the interests of self-employed specialists. The Bundesverband für selbständige Wissensarbeit e.V. (formerly ADESW) brings together leading personnel services providers for the project-based deployment of highly qualified knowledge workers and associated partner companies.

The association's member companies internally employ more than 4,500 permanent members of staff.

The industry turnover with self-employed knowledge workers amounted to more than 15 billion euros in 2018. On an annual average, the members of the Bundesverband für selbständige Wissensarbeit e.V. jointly staff more than 20,000 projects at over 5,000 companies with self-employed specialists.

Also, as a supporting member, Hays is involved in the Federal Association of Employment Lawyers in Companies (BVAU) as well as the German Institute for Compliance (DICO).

In addition, the "Forum Flexible Arbeit" was founded in the fall of 2021 on Hays' initiative to promote an objective and enlightened discussion of the topic of temporary employment and other flexible forms of work.

"Hays moves confidently on difficult terrain and breaks new ways to find the best possible solutions for customers."

Carlos Frischmuth,
Managing Director at Hays

Well positioned

Both the TÜV certification for our Compliance Management System and our commitment to various organisations demonstrate: We know what we're talking about!



Deutsches Institut für Compliance



Eine Initiative von Hays



Are you interested in finding out more about **Compliant Sourcing^{®*}**?

Then please get in touch with our Consulting Team and make an appointment. We look forward to hearing from you.

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Want to find out more?
Detailed information about our Compliant Sourcing concept can be found at:
> hays.de/compliant-sourcing

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be found at
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