

**De Pablos e Hijos**  
Since 1970  
**COMPLIANCE STATEMENT**

## **Background**

Organic Law 1/2015 amending the Penal Code (*la Ley Orgánica 1/2015 por la que se modifica el Código Penal*), was published the past 30 March and it entered into force on 1 July 2015, introducing the most significant change to Spanish penal legislation since the Penal Code of 1995 was approved. The aspects affected by this sweeping legal reform are multitude, but one area where the changes had a more accentuated affect is the penal law governing companies and business activities.

In addition to adding new crimes and substantially modifying the previously existing financial, socio-economic, environmental and urban planning crimes and crimes against the public administration, the major innovation in this reform is that, for the first time in the Spanish legal system, it introduces actual criminal liability for legal entities similar to that of Anglo-Saxon legal systems, making them immediately subject to penal law that can be found guilty of crimes and thus punished with actual sentences.

Under the reform, this new criminal liability for legal entities or corporations takes the form of a type of penal statute for legal entities, with its content distributed throughout the entire Penal Code. As a statute that could be called a "penal code for legal entities", it regulates everything pertaining to the new criminal liabilities: from which crimes can be committed by legal entities to which mitigating factors apply to them and which penalties can be imposed on them.

Of note among the provisions the reformed Penal Code formulates with respect to legal entities is the criterion that has been selected for attributing criminal liability to them. Legal entities can thus be ruled criminally liable for an event (or in the same vein they can be criminally convicted as perpetrators of a crime) in two situations: (i) if any of the legal entity's administrators or representatives have committed crimes on behalf of the entity and to its advantage, or (ii) if the crime on behalf of the entity and to its advantage was not committed by an administrator or representative, but rather by one or several of its employees, so long as the criminal conduct was made possible by the legal entity failing to duly ensure compliance by its personnel and over its activities. This second type of liability would entail consequences that would be extremely significant.

Basically, the addition to the Penal Code of a way to indict legal entities based on the criteria of "due compliance" (scientifically referred to as organisational guilt) is a *de facto* introduction of the first general legislative requirement in Spain that forces companies to implement effective supervision and control systems for complying with regulations and preventing crime: what is commonly known as corporate compliance. Nevertheless it is certainly true that Spain does have specific precedents that required partial or sectoral compliance with regulations, especially with regard to money laundering, transparency and good governance of publicly traded companies, and workplace harassment. Yet never before in Spanish law has a compliance requirement been imposed that is as broad as this one, since it covers practically every possible branch of corporate activity with over thirty types of crimes, from tax crimes, fraud, bribery and asset stripping, to urban planning crimes, environmental crimes and private-to-private corruption.

## **Resolution**

Due to the reforms made to the Penal Code by Organic Law 1/2015 and the new crime prevention obligations it imposes (Article 31 *bis*) the Board of Directors/Governance Committee of DE PABLO E HIJOS ACCESORIOS METÁLICOS, S.L. hereby reaffirms its commitment to "zero tolerance" for crime, adopting the following resolutions in this context:

**One.-** To use the normal channels to remind the entire corporate structure of the company's commitment to preventing, fighting and pursuing crime in all of its manifestations and up to the final consequences.

**Two.-** To commission the sole administrators Alberto de Pablos Lozano and David de Pablos Lozano (members of the board) to update and then improve the compliance model that DE PABLOS E HIJOS ACCESORIOS METÁLICOS, S.L. follows to prevent crime. To this end, said structure shall be given the

responsibility to ensure the functioning of operations as a whole, and to verify compliance with the crime prevention model to guarantee compliance with the control requirements stipulated under the legislation in force.

**Three.** To establish a compliance programme in the organisation, which shall include: A Code of Conduct, Policies and Procedures, Training Systems, Monitoring and Control Systems, Internal Research Systems and Whistleblower Channels, and Disciplinary Sanctions.