

COMMITTED

**INTEGRATED
ANNUAL
REPORT
2016**

TO THE FUTURE

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MESSAGE FROM SENIOR MANAGEMENT

To the Shareholders of Graña & Montero,

We, the signatories herein, take responsibility for the leadership of the Graña & Montero Group during 2017, during a context in which the Company undertook one of the most challenging years of its history, arising from the partnership with Brazilian company Odebrecht. On a second front, the Company's resilience was tested by the uncertain financial scenario resulting from the cancellation of the Gasoducto Sur Peruano project.

In consequence of the aforementioned events, which were made public during 2016, year covered by this Annual Report, we have gone through a complex and difficult series of events which have led the Company to overhaul its corporate procedures and begin a strengthening and transformation process looking towards the future.

In this context, this Annual Report for 2016 was not able to be filed in time, and today, with its filing, we have fulfilled a major milestone promised to you, our shareholder, and other interested parties.

We would now like to share a summary of financial facts from our different business areas during the 2016 fiscal year.

Graña & Montero had a backlog for 2016 of USD 3,137 million. And annual sales reached USD 1,925 million.

Our different business areas were awarded important contracts:

The Construction and Engineering area was awarded works for the Talara Refinery and the Toquepala Mine Extension, two of the major projects in the Hydrocarbons and Mining sector of the Peruvian economy. In Colombia, our Construction and Engineering area was awarded the Guajira Transmission Line project; and a construction project focused on improving the Colombian education infrastructure by building 60 schools, which extended Morelco's, our Colombian subsidiary, scope and backlog.

The Infrastructure area is working on the addition of 20 trains for the LÍNEA 1 del Metro de Lima, massive public transport solution, in order to improve the service offered and meet the growing demand.

The Real Estate area, led by our subsidiary Viva GyM, was named by the Peruvian Government's Fondo Mi Vivienda as the leading broker of socially relevant homes, highlighting the Los Parques de Comas project as the year's featured project.

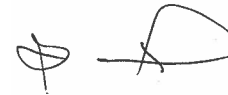
The Services area, through our subsidiary CONCAR, was awarded two major contracts for the maintenance of highway roads extending 778 kilometers.

MESSAGE FROM SENIOR MANAGEMENT

This administration was characterized by an outstanding social and environmental performance, in line with our commitment to all of you and following United Nations Global Compact guidelines, which is shown in our sustainable management.

We would like to conclude this letter by reassuring all of you that we will continue our corporate strengthening process to achieve our goal of being the leading reference in Risk Management and Compliance in the region. We will seek to be named as a Company committed to the improvement of Peru. We are committed to our shareholders.

Sincerely,



- **Augusto Baertl** -
Chairman of the Board



- **Rafael Venegas** -
Independent Director



- **Alfonso de Orbegoso** -
Independent Director



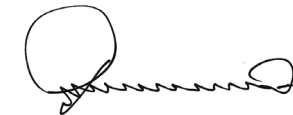
- **Pedro Pablo Errazuriz** -
Independent Director



- **Jose Antonio Rosas** -
Independent Director



- **Manuel Del Rio** -
Independent Director



- **Alfonso Garcia Miro** -
External Director



- **Roberto Abusada Salah** -
External Director



- **Carlos Montero** -
External Director



OUR VALUE PROPOSITION

- Diversification
- Regionalization
- Graña y Montero key figures
- Value Distribution
- Corporate governance

VALUE PROPOSITION

DIVERSIFICATION

What started as a construction company, today has become a group of companies divided in business lines. Each business line gathers together companies with similar operations and management systems. This solution allows us to build the capacities and strengthen the skills of the different areas and to boost the group's internal synergies. (G4-17)



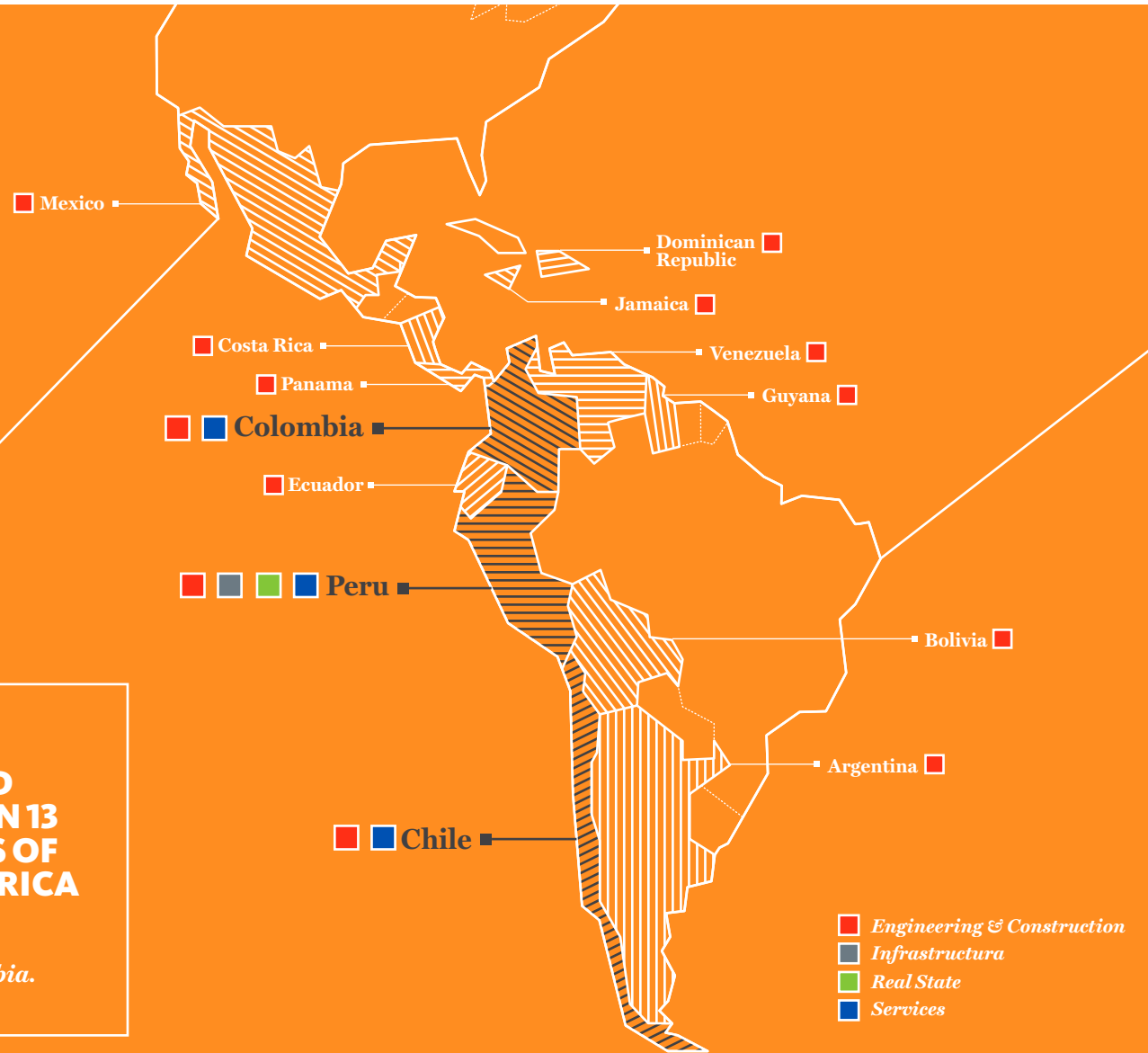
* Organizational chart of Graña
y Montero Group updated
to december 2016.

- Diversification
- Regionalization
- Graña y Montero key figures
- Value Distribution
- Corporate governance

REGIONALIZATION

**STRATEGIC
PARTNER
FOR PROJECT
DEVELOPMENT**
in the region.

**WE HAVE
DEVELOPED
PROJECTS IN 13
COUNTRIES OF
LATIN AMERICA**
*we have offices
installed in Peru,
Chile and Colombia.*



KEY FIGURES

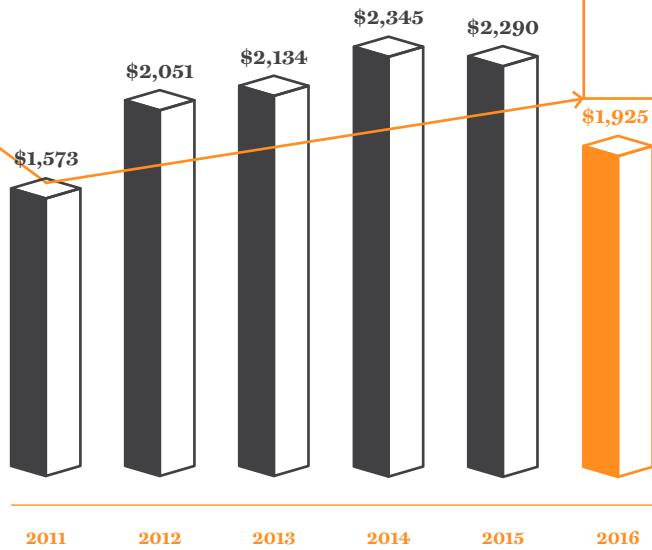
	2014		2015		2016	
	S/. Thousands	US\$ Thousands	S/. Thousands	US\$ Thousands	S/. Thousands	US\$ Thousands
Sales	7,008,680	2,344,824	7,815,495	2,289,919	6,469,606	1,925,478
Gross Profit	951,569	318,357	649,974	190,441	603,419	179,589
Profit before Taxes	507,429	169,765	154,616	45,302	-563,404	-167,680
Net Profit	299,744	100,282	7,096	2,079	-509,699	-151,696
EBITDA	911,851	305,069	732,355	214,578	41,823	12,447
Backlog	11,254,921	3,765,447	13,781,034	4,037,807	10,541,583	3,137,376
Recurring business	1,733,630	580,003	1,529,834	448,237	2,327,822	692,804
Backlog and recurring business	12,988,551	4,345,450	15,310,868	4,486,044	12,869,405	3,830,180
Professionals		6,819		4,809		5,611

KEY FIGURES

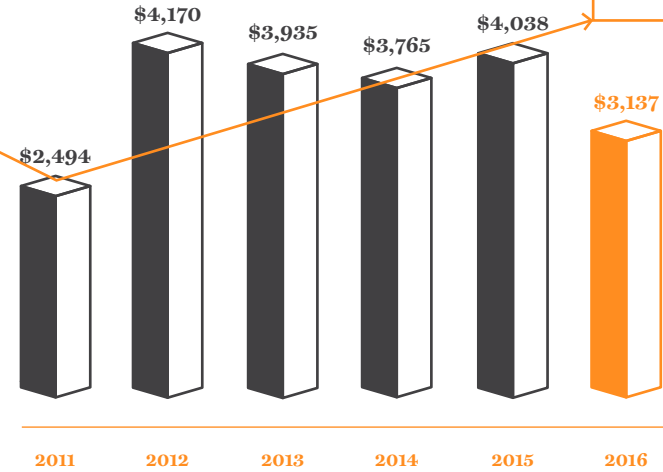
Sales by business line	2014		2015		2016	
	S/. Thousands	US\$ Thousands	S/. Thousands	US\$ Thousands	S/. Thousands	US\$ Thousands
Engineering and Construction	5,035,674	1,684,735	5,829,441	1,708,011	4,159,539	1,237,958
Infrastructure	884,766	296,007	1,018,292	298,357	912,094	271,457
Real Estate	224,560	75,129	215,764	63,218	411,518	122,476
Services	1,208,168	404,205	1,151,621	337,422	1,401,781.43	417,197
GMH and Eliminations	-344,488	-115,252	-399,623	-117,089	-415,327	-123,609
TOTAL	7,008,680	2,344,824	7,815,495	2,289,919	6,469,606	1,925,478

KEY FIGURES

Sales (US\$ Millions)

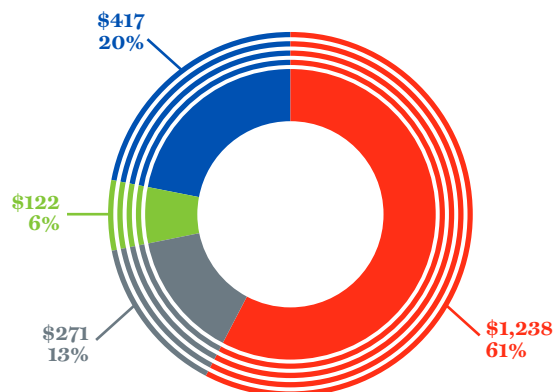


Backlog (US\$ Millions)

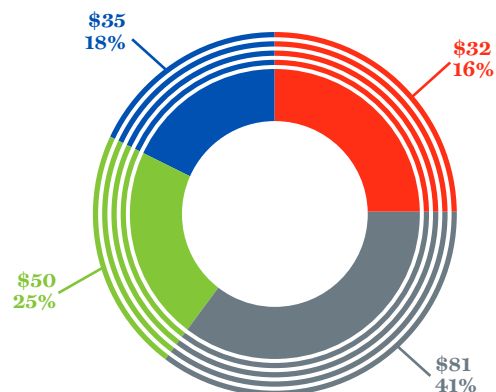


KEY FIGURES

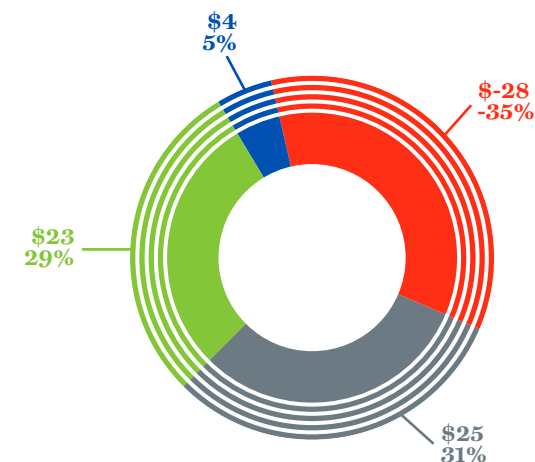
Sales by business line (US\$ Millions)



EBITDA by business line (US\$ Millions)



Net Profit by business line (US\$ Millions)



Sales by business line	S/. Millions	US\$ Millions
Engineering and Construction	4,160	1,238
Infrastructure	912	271
Real Estate	412	122
Services	1,402	417
GMH	-415	-124
TOTAL	6,470	1,925.5

EBITDA by business line	S/. Millions	US\$ Millions
Engineering and Construction	106	32
Infrastructure	272	81
Real Estate	167	50
Services	117	35
GMH	-620	-185
TOTAL	42	12.4

Net Profit by business line	S/. Millions	US\$ Millions
Engineering and Construction	-93	-28
Infrastructure	84	25
Real Estate	77	23
Services	15	4
GMH	-592	-176
TOTAL	-510	-151.7



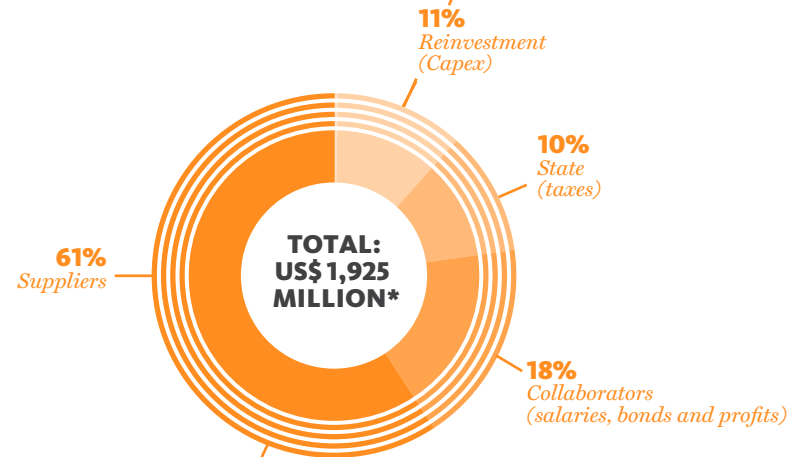
- Diversification
- Regionalization
- Graña y Montero key figures
- **Value Distribution**
- Corporate governance

VALUE CREATION

Through our businesses, we seek to generate economic, social and environmental value. Therefore, not only do we develop the best engineering and infrastructure solutions, but we also seek to go beyond business by promoting the growth of our different stakeholders.

Regarding economic value, in 2016 Graña y Montero Group generated income for an amount of US\$ 1,925 million. 61% of this income was distributed among suppliers of goods and services, and this contributed to stimulate the economy, especially in the different local communities where we operate. 18% was intended for the payment of personnel (employees and laborers), financing over 28 thousand positions throughout the year. Lastly, 10% was allocated to the State through tax contributions, and 11% was reinvested.

Distributed economic value



*Sales plus sales taxes

- Diversification
- Regionalization
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- Corporate governance

VALUE DISTRIBUTION

CONTRIBUTION TO SUSTAINABLE DEVELOPMENT OBJECTIVES

At Graña y Montero, though we contribute in a cross-cutting manner to Sustainable Development Goals, we consider our management efforts focus especially on the following four areas:



Likewise, our actions and the development of our operations under a sustainable approach allows us to contribute positively to the development of the Objectives of Sustainable Development, as are SDGs 6, 12, 13 and 16. Throughout the document, we will show references to specific contributions in each of these topics.

4 Quality education / 8 Decent work and economic growth / 9 Industry, innovation and infrastructure / 11 Sustainable cities and communities



- Diversification
- Regionalization
- Graña y Montero key figures
- **Value Distribution**
- Corporate governance

KEY

FIGURES

From the social and environmental standpoint, we deploy significant efforts to improve people's quality of life and generate well-being with our operations and projects. Some of our main actions focus on skill building inside and outside the organization, safety, design of efficient environmental solutions, operational excellence, among other topics that will be addressed throughout this document.

This comprehensive view allows us to build a better future and leave upcoming generations a legacy that has made us feel proud of for 83 years.

184
THOUSAND HOURS
of training to clients, suppliers, and communities

0
SOCIAL CONFLICTS
with formal trade unions

US\$88
MILLION
dollars in local purchases

100%
LOCALLY HIRED
unskilled manpower

9
YEARS
in the Good Corporate Governance Index of the Lima Stock Exchange

0.40
ACCIDENTS
for every 200,000 work hours

419
THOUSAND MAN-HOURS
of personnel training

67
MILLION
m³ of treated wastewater thanks to PTAR La Chira.

44
THOUSAND
tons of CO2 were avoided thanks to Lima Metro Line 1 Network

CORPORATE GOVERNANCE

During 2016, we approved some modifications to the Rules of the Board of Directors to stay in line with the best market practices regarding corporate governance, specifically including an option for the Board to carry out a self-evaluation or appoint third parties to assess them. A valuation criterion was expressly embedded to be used for transactions between the company and its subsidiaries, and the name of the Committee of Human Management and Social Responsibility was changed to Committee of Human Management and Sustainability, aligning it to the Policy of Sustainability, which was approved by the Board of Directors in January 2016.

Another improvement of our management was the implementation of a more active intervention of independent directors in the Strategic Plan, not only for the parent company but also for its subsidiaries. Thus, independent directors in the Operative Committees of the business departments where they participate listened to the strategic plans of the subsidiary companies directly from their general managers. Similarly, in the Graña y Montero Board of Directors, the managers of the Business department presented their strategic plans, following the same methodology.

Finally we participated actively in the Companies Circle meeting that took place in Sao Paulo, Brazil, where we invited one of our independent directors who had the chance to share and exchange best practices of corporate governance with directors of other participant companies from Colombia, Costa Rica, Brazil and Peru.

BOARD OF DIRECTORS IN 2016 *

01. JOSÉ GRAÑA MIRÓ QUESADA *Chairman of the Board - External Director*

02. CARLOS MONTERO GRAÑA *Vicepresident, External Director*

03. PEDRO PABLO ERRÁZURIZ DOMÍNGUEZ *Independent External Director*

04. MARK HOFFMAN ROSAS *Independent External Director*

05. FEDERICO CÚNEO DE LA PIEDRA *Independent External Director*

06. MARIO ALVARADO PFLUCKER *Internal Director, CEO*

07. HERNANDO GRAÑA ACUÑA *Internal Director*

08. HUGO SANTA MARÍA GUZMÁN *Independent External Director*

**The Board of Directors was renewed on March 31, 2017.*

BOARD COMMITTEES AND OPERATIVE BOARD COMMITTEES IN 2016 *

AUDITING AND PROCESSING COMMITTEE

- Federico Cúneo de la Piedra, presidente y experto financiero
- Hugo Santa María Guzmán
- Mark Hoffmann Rosas

The committee held five meetings during 2016.

HUMAN MANAGEMENT AND SOCIAL

RESPONSIBILITY COMMITTEE

- Pedro Pablo Errázuriz Domínguez, presidente
- Federico Cúneo de la Piedra
- Mark Hoffmann Rosas

The committee held four meetings during 2016.

INVESTMENTS AND RISKS COMMITTEE

- José Graña Miró Quesada, presidente
- Hugo Santa María Guzmán
- Pedro Pablo Errázuriz Domínguez

The committee held three meetings during 2016.

ENGINEERING AND CONSTRUCTION COMMITTEE

- Mario Alvarado Pflucker, presidente
- José Graña Miró Quesada,
- Hugo Santa María Guzmán
- Hernando Graña Acuña
- Carlos Montero Graña

The committee held twelve meetings during 2016.

INFRASTRUCTURE COMMITTEE

- Mario Alvarado Pflucker, presidente
- José Graña Miró Quesada
- Hugo Santa María Guzmán
- Hernando Graña Acuña
- Pedro Pablo Errázuriz Domínguez

The committee held twelve meetings during 2016.

REAL ESTATE COMMITTEE

- Mario Alvarado Pflucker, presidente
- José Graña Miró Quesada
- Mark Hoffmann Rosas

The committee held twelve meetings during 2016.

SERVICES COMMITTEE

- Mario Alvarado Pflucker, presidente
- José Graña Miró Quesada
- Carlos Montero Graña
- Federico Cúneo de la Piedra

The committee held twelve meetings during 2016.

*The Board of Directors was renewed on March 31, 2017.

EXECUTIVE COMMISSION IN 2016 *

The Executive Commission, responsible for coordinating the Group was made up by the following persons:

MARIO ALVARADO PFLUCKER
*Chief Executive Officer –
Chairman of the Executive Commission*

GONZALO FERRARO REY
*Chairman of the Infrastructure
business line*

JUAN MANUEL LAMBARRI HIERRO
*Engineering and Construction
business line Officer*

ANTONIO CUETO SACO
Infrastructure business line Officer

ROLANDO PONCE VERGARA
Real Estate business line Officer

JAIME DASSO BOTTO
Services business line Officer

LUIS DÍAZ OLIVERO **
Chief Operating Officer

MÓNICA MILOSLAVICH HART
Chief Financial Officer

ANTONIO RODRÍGUEZ CANALES
Chief Commercial Officer

JORGE LUIS IZQUIERDO RAMÍREZ
*Chief Human Resources
Management Officer*

CLAUDIA DRAGO MORANTE
Chief Legal and Corporate

**THE
EXECUTIVE
COMMISSION
HELD ELEVEN
MEETINGS
IN 2016**

* Since March 2017, the Executive Committee renewed its members, counting, as of May 2018, with a new team.

** Luis Diaz Olivero assumed general corporate management in February 2017.

INVESTOR RELATIONS

During 2016, we participated in six international conferences in Chile, Buenos Aires, United States, London and Lima.

We also contacted 122 investors through visits, calls, conferences and non-deal roadshows. In addition, in May 2016, a non-deal roadshow was put together in Boston and New York, where we visited 15 institutional investors.

WE PARTICIPATED IN SIX INTERNATIONAL CONFERENCES

*in Santiago,
New York, Miami,
Buenos Aires,
London and Lima*

BOARD OF DIRECTORS' SELF EVALUATION

In 2016 we carried out the Board's Self-evaluation process. As a result, we received suggestions from the directors, opening direct communication channels in order to share information in real time, extending Board meetings in order to have more space for strategic discussions, as well as implementing improvements to the strategy definition process of the Group, increasing the space for the participation of independent directors, and seeking to improve the relationship between the general managers of the subsidiary companies and the directors of the Group.

This process was repeated throughout the main subsidiaries of the Group.

A NON-DEAL ROADSHOW IN THE UNITED STATES

*to visit
institutional
investors*

CONTACT WITH 122 INVESTORS DURING 2016

FAMILY RELATIONSHIPS

Mr. Jose Graña Miró Quesada, who was Chairman of the Board until February 2017, is related within the first degree of consanguinity with Maria Teresa Graña Canepa, shareholder of the company and director of our subsidiaries GyM, Viva GyM, GMD, GyM Ferrovías and GMI; and within the third degree of consanguinity with Miss Yamile Brahim Graña, shareholder of the company; and he is related within the fourth degree of consanguinity with the ex director and shareholder Hernando Graña Acuña who was Chairman of the Boards of our subsidiaries GyM and STRACON GyM, and who is also director of our subsidiaries Vial y Vives-DSD S.A. and Morelco.

COMPANY NAME

Graña y Montero S.A.A. is a Company established by public deed on August 12, 1996, as a result of a spin-off process of Inversiones Graña y Montero S.A., and was registered in the 131617 Record and registered under electronic entry 11028652 of the Registry of Companies of Lima.

EQUITY CAPITAL

The Company's equity capital by December 31, 2016 amounts to S/. 660,053,790.00, represented by 660,053,790 shares with a par value of S/.1.00 each.

MAIN SHAREHOLDERS

As of December 31, 2016 we have 2,000 shareholders, out of which approximately 99.40% own less than 1% of the equity capital and close to 0.45% hold between 1 and 5%. Our main shareholders are JP Morgan Chase Bank NA, as the depository and representing all the ADS holders, GH Holding Group, represented by Jose Graña Miró Quesada, Chairman of the Board until February 2017; and Bethel Enterprises Inc., represented by Carlos Montero Graña, Vice-president of the Board of Directors until February 2017.

LIST OF MAIN SHAREHOLDERS AS OF 31.12.16

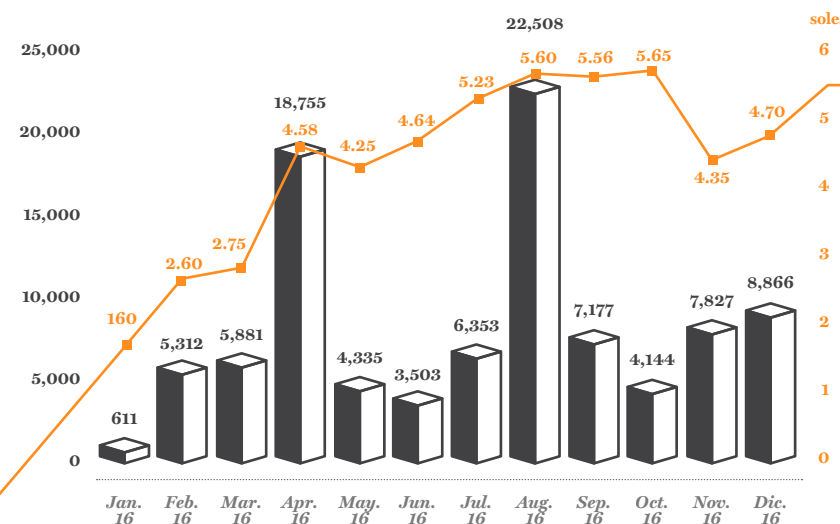
FIRST AND LAST NAMES	NUMBER OF SHARES	STOCK	COUNTRY
JP Morgan Chase Bank NS as depository and representing ADS holders	265,185,035	40.18%	United States
GH Holding Group	117,538,203	17.81%	Panama
Bethel Enterprises Inc.	33,785,285	5.12%	Panama
AFP Integra (ING Group)	38,394,976	5.82%	Peru
Profuturo AFP (Grupo Scotiabank)	36,968,166	5.60%	Peru
Subtotal	491,871,665	74.52%	
Other shareholders	168,182,125	25.48%	
Total	660,053,790	100.00%	

STOCK VALUE EVOLUTION

The price of one share at the year end closing amounted to S/. 4.70. The volume negotiated during the year reached S/. 320,616,237.06. Finally, the S&P BVL Peru General Index showed an increase of 58.06%, with respect to the year 2015, and, similarly, the S&P BVL Peru Select Index increased by 64.01%, compared to 2015. It should be noted that the volatility in the GRAMONC1 share rose by 138.58% compared to the price at the 2015 year-end closing (including the effect of the issuance of stock dividends).

2016 PRICES

ISIN CODE	MNEMONIC	YEAR-MONTH	OPENING S/.	CLOSING S/.	MAXIMUM S/.	MINIMUM S/.	AVERAGE PRICE S/.
PEP736351005	GRAMONC1	2016-1	1.97	1.60	1.97	1.60	1.73
PEP736351005	GRAMONC1	2016-2	1.60	2.60	3.00	1.60	2.51
PEP736351005	GRAMONC1	2016-3	2.60	2.75	2.85	2.48	2.70
PEP736351005	GRAMONC1	2016-4	2.75	4.58	4.95	2.70	3.90
PEP736351005	GRAMONC1	2016-5	4.57	4.25	4.65	4.25	4.41
PEP736351005	GRAMONC1	2016-6	4.25	4.64	5.00	4.35	4.59
PEP736351005	GRAMONC1	2016-7	4.66	5.23	5.23	4.64	4.91
PEP736351005	GRAMONC1	2016-8	5.20	5.60	5.82	5.25	5.58
PEP736351005	GRAMONC1	2016-9	5.60	5.56	5.90	5.45	5.70
PEP736381005	GRAMONC1	2016-10	5.61	5.65	5.84	5.62	5.76
PEP736381005	GRAMONC1	2016-11	5.65	4.35	5.83	4.35	5.21
PEP736351005	GRAMONC1	2016-12	4.35	4.70	5.18	4.43	4.67



Amount in K USD

Closing Price (S/.)

DIVIDEND POLICY

The company's dividend policy applicable in 2016 was to distribute as dividends between 30% and 40% of the profits made in each fiscal year, based on the results of the Graña y Montero S.A.A. Consolidated Financial Statements only if individually they present sufficient results to cover the above-mentioned amount; if the results of those Financial Statements are not sufficient, they will be distributed only to their limit. There will be no distribution of advances of dividends.

**DISTRIBUTION
OF 30
TO 40%
OF PROFITS**

CORPORATE PURPOSE

The company's main purpose is to engage in investments and commercial operations at large: purchase, transfer and negotiation of shares, stocks or shares, securities and other liability instruments, credit titles and derivative products, issued by Peruvian or foreign companies, regardless of their economic activity, and whether they operate directly or through the Stock Exchange. The company is also engaged in delivering managerial and administrative services to related companies and/or other corporations.

The company can also develop all aspects, forms and types of construction business, erect buildings and other urban works, develop real estate projects in general, as well as execute heavy construction works and electro-mechanic projects. Additionally it can perform all sorts of assemblies and set-ups, and carry out all the engineering and construction activities in both fields, taking part in all types of selection processes, whether public or private. It can provide services in mining exploration, development, exploitation and related tasks, provide services to the hydrocarbon industry related to drilling, exploitation activities and services for wells of oil and gas, including the construction and maintenance of oil pipes, gas pipes, gas, petroleum and byproduct processing plants, refineries and all sorts of infrastructure for the petrochemical industry. The company can invest in the construction, repair, conservation and exploitation of public infrastructure works and services through the concession system, and also buy and lease movable and immovable urban or rural assets to carry out any act or activity directly or indirectly related with its purpose that contributes to the achievement and fulfillment of its objectives.

ISIC – 6619

COMPANY DURATION

Graña y Montero S.A.A. was established for an unspecified period of time.

**GRAÑA Y
MONTERO S.A.A.**

Company name:	Graña y Montero S.A.A.		
Address:	Av. Paseo de la República 4667, Surquillo		
Telephone:	51-1-213 6565		
Investor Relations:	51-1-2136573		
Person in Charge:	Samantha Ratcliffe *		
E-mail:	Samantha.ratcliffe@gym.com.pe *		
Incorporation of the company	Public Deed dated 12 August 1996		
Public Registry	Record 131617-under Electronic Entry 11028652		
Equity Capital	S/ 660,053,790.00		
Shares	660,053,790 totally subscribed and paid-in		
Portfolio of Equities	None		
Main Shareholders and Economic Group	See Corporate Governance Section		
Company's Purpose	See Corporate Governance Section		
ISIC 6619	6619		
Duration	Unspecified Period of Time		
Events	See Historical Review		
Business Sector and Competitors	<p>Graña y Montero S.A.A. is an investment company, whose main subsidiaries operate in the following Sectors: Construction, Engineering, Hydrocarbons, Information Technology, Concessions and Shopping Centers and Entertainment.</p> <p>Besides, it also provides managerial services on an exclusive basis to its subsidiaries, so in fact, it does not compete in the market.</p>		
Net Sales		2015	2016
	Leases	7,502,870.81	
	Managment	63,077,319	
All services were provided within the country			
Investment Plans	US\$ 232 MM		

*The head of Relations with Investors was taken over by Adriana Caballero in April 2018. Contact: adriana.caballero@gym.com.pe

**GRAÑA Y
MONTERO S.A.A.**

SHARES	PERCENTAGE	SHARES	PERCENTAGE
GyM S.A.	98.24	Larcomar S.A.	79.66
GMP S.A.	95.00	Generadora Arabesco S.A.	99.00
GMD S.A.*	89.31	Concesionaria Vía Expresa Sur S.A.	99.98
Concar S.A.	99.81	Concesionaria Chavimochic S.A.	26.50
GMI S.A. Ingenieros Consultores	89.41	TECGAS N.V.	51.00
Concesión Canchaque S.A.C.	99.96	Recaudo Lima S.A.	70.00
Survial S.A.	99.99	GyM Colombia S.A.S.	66.20
Viva GyM S.A.	63.44	Agenera S.A.C.	99.00
Norvial S.A.	67.00	ADEXUS S.A.	91.03
Promotora Larco Mar S.A.	46.55	Negocios de Gas S.A.	99.99
GyM Ferrovías S.A.	75.00	Compañía de Gas del Amazonas S.A	50.99
Promotores Asociados de Inmobiliarias S.A.	100.00	Concesionaria La Chira S.A.	50.00
CAM Holding S.P.A. Chile	100.00	CAM Servicios del Perú S.A.	73.16

Judicial, Administrative-law or Arbitration Proceedings

See Notes to the Audited FFSS

Responsible For Preparing And Revising the Financial Information

Gonzalo Rosado Solis - General Corporate Accountant

Mario Alvarado Pflucker - Chief Executive Officer (Until February 2017)

External Auditors

Price Waterhouse Coopers

* GMD ceased to be part of the Group in June 2017

WHAT

WE DO

**WE DEVELOP THE
INFRASTRUCTURE
COUNTRIES
NEED FOR THEIR
GROWTH**

We provide infrastructure, engineering and construction services through our business lines. We generate economic value and welfare in the societies in which we operate.

1930

1933

GRAMONVEL FOUNDATION

THREE FOUNDERS

- Carlos Graña
- Alejandro Graña
- Carlos Montero

1937

BAÑOS DE MIRAFLORES

The most important architectural work of the time. It rests on piles and it can hold up to 500 people (Lima - Perú).



1940

1942

DAIRY PLANT IN VENEZUELA

First work abroad built for Nestlé, over an area of 9,800 m².



1942

EL PATO AIR BASE

Built during the Second World War as a military base of the USA in Talara - Peru.



1945

CONSTRUCTION OF THE CITY OF TALARA

Located in north Piura. We built five districts with 4,322 houses, schools, markets, churches, commercial area, the refinery, and an airport.



1949

MERGER BETWEEN MORRIS Y MONTERO AND GRAÑA Y MONTERO

Gramonvel and Morris y Montero merge. They build new capacities to develop infrastructure projects.

1950

1952

HOSPITAL DEL EMPLEADO

Installation of 1,250 beds in an area of 130,000 m². The Eduardo Rebagliati Hospital -as it is known today- is still the most important hospital in Lima, due to its large healthcare capacity.



1953

CARRETERA PANAMERICANA SUR (SOUTH HIGHWAY)

430 km, from Lima to Arequipa (Peru).



1954

MINISTRY OF ECONOMICS AND FINANCE

We built 12 floors with a 42,000 m² area.



1956

MINISTRY OF EDUCATION

The first building constructed with metal structure in Peru.



1957

CAÑÓN DEL PATO POWER PLANT

One of hydro electrical plants that supplies most energy to the National Interconnected System in Peru.



1960

1960

JORGE CHÁVEZ INTERNATIONAL AIRPORT

We paved the most important airport in Peru, which is also one of the most visited in Latin America.



1967

PASEO DE LA REPÚBLICA EXPRESSWAY

Major traffic road in the city of Lima.



1968

SECOND GENERATION

José Graña Miró Quesada and Carlos Montero Graña joined the company. The company was going through a tough crisis; the Military Government expropriated the companies that happened to be our best customers. About these rough times, José Graña says: “I learned my first business lesson and I had to make my first decision. I had discovered that companies are not inherited, we are supposed to make them grow, and I had accepted the challenge of being the second generation”

1970

1972

HOTEL SHERATON

First International Five-Star Hotel in Peru. It was an icon of that age.



1977

CIVIC CENTER TOWER

With 109 meters, it was the highest building in Peru until 2011.



1980

1983

DIVERSIFICATION

Growing and diversifying is the new business challenge.

1984

MACHU PICCHU POWER PLANT

The greatest energy investment project of southern Peru.



1990

1990

GMI GOES INTERNATIONAL

Hotel Meliá Bávaro, Punta Cana, Dominican Republic.

1991

GMP STARTS OPERATIONS IN TALARA

We were granted Block I oil concession.

1994

CONCAR STARTS OPERATIONS

Carretera Arequipa – Matarani (Arequipa-Matarani highway), first road concession in Peru.

1994

ENVIRONMENTAL CONSULTING

Through the acquisition of ECOTEC S.A., we incorporated capabilities for environmental consulting development.

1997

CREATION OF THE GRAÑA Y MONTERO HOLDING

To sustain the Group's diversified growth and leverage the synergies among the companies.

TRADING IN LIMA'S STOCK EXCHANGE

Access to investors and capacity to develop new businesses.

1998

HOTEL MARRIOTT AND LARCOMAR

Located in one of the main tourist areas of Lima.



1999

CREATION OF THE CORPORATE LEARNING CENTER

The Corporate Learning Center (CCA), currently known as Academia Graña y Montero, is aimed at promoting the generation and sharing of knowledge and developing talent in the Group.

2000

2001

MALVINAS GAS PLANT – CAMISEA PROJECT

Start-up of the strategy in the natural gas industry.



2003

STEADY FLOWS

Active participation in infrastructure concession businesses to increase the stability of the Group's cash flows.

2007

LOS PARQUES DE EL AGUSTINO

First housing project with social interest in Peru.



2009

PARIÑAS GAS PLANT IN TALARA

We built our own automated natural gas fractionation plant.

2010-2012

2010

INTERNATIONALIZATION

The internationalization process gains more strength with the incorporation of the first regional company of the Group: CAM, which currently operates in Peru, Chile and Colombia.

2011

COMPANY GROUPING BY BUSINESS LINES

Our organizational structure allows us to complement our service offering so as to provide comprehensive solutions to our customers, enabling us to be part of the projects that countries need to keep growing.

2012

PURCHASE OF VIAL Y VIVES – CHILE

Investment in the mining sector at regional level. It joins to Engineering and Construction.

2013-2016

2013

TRADING IN NEW YORK'S STOCK EXCHANGE

Access to investors worldwide.

PURCHASE OF DSD CONSTRUCCIONES Y MONTAJES - CHILE

New mining capabilities
are added to the Group.

2014

BIRTH OF VIAL Y VIVES – DSD

The merger of Vial y Vives and
DSD Construcciones y Montajes
gave rise to Vial y Vives – DSD,
one of the best-qualified companies
to serve the Chilean mining sector.

PURCHASE OF MORELCO – COLOMBIA

Consolidation of the Group's
experience in the oil and gas
sector. It joins to Engineering
and Construction.

2015

OPENING OF THE ACADEMIA GRAÑA Y MONTERO

Strengthening of CCA and
enhancement of the Group's
knowledge management culture.





**Graña y
Montero**

**Engineering &
Construction**



“Starting a new project is a great technical and professional challenge, and also an opportunity to contribute to the development and employability of the people in the area. It is gratifying to us to know that through our work, we leave a positive mark on society.”

Richard Guzmán
Project manager at GyM

**US\$
1,238
MILLION**
on sales

**IMPORTANT
SYNERGIES**
among companies

**US\$
1,978
MILLION**
in backlog

**CONTRACTS
AWARDED FOR
MAJOR PROJECTS**
*in the oil and mining
sectors in Peru*

**Graña y
Montero**
**Engineering &
Construction**



During 2016, low metal and oil prices, which led to reduced investment in the mining and oil and gas sectors, in addition to an electoral environment that put many infrastructure projects on hold, affected the performance of the Engineering and Construction business line.

Despite the circumstances, we were able to generate sales of US\$ 1,238 MM and end the year with a backlog of US\$ 1,978 MM. The lower backlog is due to the recent elimination of the GSP from our list of projects.

The most relevant aspects of our management in 2016 are related to the different synergies created among our Engineering and Construction companies, which were the result of our strategy to consolidate our value proposition at the regional level and, with it, provide a complete service to our customers.

For example, we were able to obtain an EPC contract between Vial y Vives-DSD (Chile) and GMI (Peru) on the development of a system for loading copper concentrate in Totoralillo for Chile's most important iron mining group. Another example is the contract between GyM and STRACON GyM, both based in Peru, to carry out an important energy project in Panama.

It is also important to note the achievements of Morelco, our company that diversified its services to the energy and construction sectors, also as a result of synergies with other companies in the area.

Other noteworthy occurrences in the area are the awarding of the contract for the Yellow Line, an important road that will join 11 districts in the city of Lima, and the contract for the project to increase the transportation capacity of Line 1 of the Lima Metro.

« *San Ramón Project*
Colombia

GMI

We signed a contract to supervise the construction work at the new airport in Chincheros (Cusco), a project which will last six years that we will execute through a consortium with AYESA, a Spanish company, and U.S. based AECOM.

In addition, we began supervising the EPC project that will carry out the Santo Domingo combined-cycle thermal power plant project (Lima) for our customer, Termochilca. Thanks to this project, the plant's power generation level will increase by 100MW, producing a total of 2,476.6GWh per year.

In the transportation sector, we are working on the basic and detailed engineering design to increase the transportation capacity of of Line 1 of the Lima Metro. Our services include supervision of the infrastructure improvement until 2018.

In the water sector, we were awarded contracts for the supervision of two wastewater water treatment plants. One is the EPC project for Antapaccay, a mining company in Cusco, and the other is the EPC project for Agrokasa, located in Ica.

ECOTEC

We were in charge of environmental management for the construction of the new plant for IQ Farma, a company dedicated to drug research, manufacturing, and commercialization.

THANKS TO THE TERMOCHILCA PROJECT

*the output of the Santo
Domingo thermal power
plant will be increased
by 100MW*

» *Antapaccay Mining Project
Cuzco, Peru*



GyM

ENERGY

In August 2016, we completed the construction of the Cerro del Águila Hydroelectric Station in Huancavelica, Peru. It is Peru's second largest hydroelectric station and produces 510 MW of energy.

In Panama, we started the construction of 130 km of transmission lines, in consortium with STRACON GyM.

CONSTRUCTION

We completed the construction of the Open Plaza shopping mall in Huancayo, which has an area of over 96 thousand m². In addition, we completed construction of the new América TV production center in Pachacamac, Lima. With its 53 thousand m² of area, it is Peru's largest television station.

Additionally, in 2016 we worked on the construction of the Talbot hotel, which belongs to the Holiday Inn chain.

Another relevant event was the recognition of the Universidad de Ingeniería y Tecnología (UTECH) building by the Royal Institute of British Architects (RIBA), which named it the world's best new building. It was built by GyM and designed by Grafton Architects.



» *Universidad
de Ingeniería
y Tecnología
Lima, Peru*

TRANSPORTATION AND URBAN ROADWAYS

We obtained the contract for the completion of the construction of the Yellow Line Project for our customer, Vinci Concessions. This project will join the district of Ate with the province of Callao, making the distance a 20-minute trip. It will have a two-kilometer-long tunnel, Lima's longest, and will pass through 11 districts.

We were also awarded the contract on the design and construction to improve the infrastructure of Line 1 of the Lima Metro, which will make it possible to increase its transportation capacity and reduce the trains' time interval.

MINING

Within the framework of the expansion plan for Southern Copper Corporation's Toquepala and Cujajone mines, GyM obtained five important contracts that include the civil works and electromechanical assembly for both projects, located in southern Peru.

OIL AND GAS

We began the electromechanical work on the sector's most important Project in 2016, for our Técnicas Reunidas client. It consists of the modernization and expansion of the infrastructure of the Talara Refinery in northern Peru, which will make it possible to increase its production capacity by 45%, produce cleaner fuel and protect the environment.

**THE YELLOW
LINE PROJECT**
*will make the distance
between the district of Ate
and the province of Callao
a 20-minute trip*



» *Cerro del Águila Hydroelectric Power Station
Huancavelica, Peru*

STRACON GyM *

During 2016, we completed construction of the San Ramón mine in Antioquia, Colombia, for Red Eagle Mining, and it is now in operation. Currently, we are working on the development of the underground part of the mine.

The Shahuindo project in Cajamarca, where STRACON GyM has an operation contract, we achieved commercial production of 48 thousand ounces of gold. In addition, we were awarded a contract for construction, earthworks and civil works for the crushing and agglomeration system. This project will be of key importance in making the Shahuindo operation efficient, starting in 2018.

At Constanca, the copper project located in Cusco, we continued with construction of the mine. With regard to the operation service, we achieved a transfer of knowledge on mining and equipment maintenance, so that the customer can take charge of this service with its staff.

In addition, we were awarded a new contract on the extension of the La Zanja mining project in Cajamarca, and another one on the San Rafael mining project in Puno for MINSUR.

**COMMERCIAL
PRODUCTION
OF 48 THOUSAND
OUNCES OF GOLD
WAS ACHIEVED**
*in the Shahuindo Project
located in Cajamarca*

With regard to internal management at STRACON GyM, it is important to note that, for the second year in a row, we placed 17th in the “Great Place to Work” ranking. In addition, insurance companies Rimac and Mapfre once again recognized our company's high safety standards and risk prevention, giving us the 2016 “Excellence in Risk Prevention” and “Excellence in Safety” awards respectively.

» *Shahuindo Project
Cajamarca, Peru*



* STRACON GyM ceased to be part of the Group in March 2018

VIAL Y VIVES – DSD

In 2016, Vial y Vives – DSD completed the construction of the combined cycle Kelar (Mejillones) plant, with a 540 MW generation capacity, due to which it is considered one of Chile's most important energy projects.

In the mining sector, we were awarded the contract for engineering, procurement and construction of the iron concentrate loading system for CAP in Totalillo, which is being carried out in close collaboration with GMI, the Group's engineering company.

In addition, Vial and Vives – DSD was awarded a contract for equipment maintenance services at the BioBio refinery owned by Empresa Nacional de Petróleo (ENAP), located in Region VIII. During the year, it was also awarded a mechanical maintenance contract by the same customer.



» *Kelar Combined
Cycle Power Plant
Mejillones, Chile*

MORELCO

Morelco is a Colombian construction company specializing in the oil and gas sector, which joined the Graña y Montero Group in 2014. Due to the current situation in the sector, it was decided to diversify Morelco's services, taking advantage of the knowledge and skills of other companies in the Engineering and Construction area.

In this manner, in 2016 the company was awarded two important contracts: the construction of 3,000 classrooms for the Ministry de Education in consortium with GyM, and the construction and operation of a transmission line in La Guajira. These projects enabled Morelco to enter the construction and energy sectors.

In the first project, we are in charge of the design, technical studies and construction of educational infrastructure in 14 Colombian cities. These works are part of the Colombian National Plan, which seeks to make Colombia Latin America's best educated country.

In the second project, called "Regional Transmission System", we are responsible for the design, procurement of supplies, construction, operation and maintenance of the Riohacha - Maicao 110KV and Riohacha - Cuestecitas 110KV Line electrical reinforcement in Guajira. Morelco is working on this EPC project in a consortium where it has a 70% interest with three local companies.

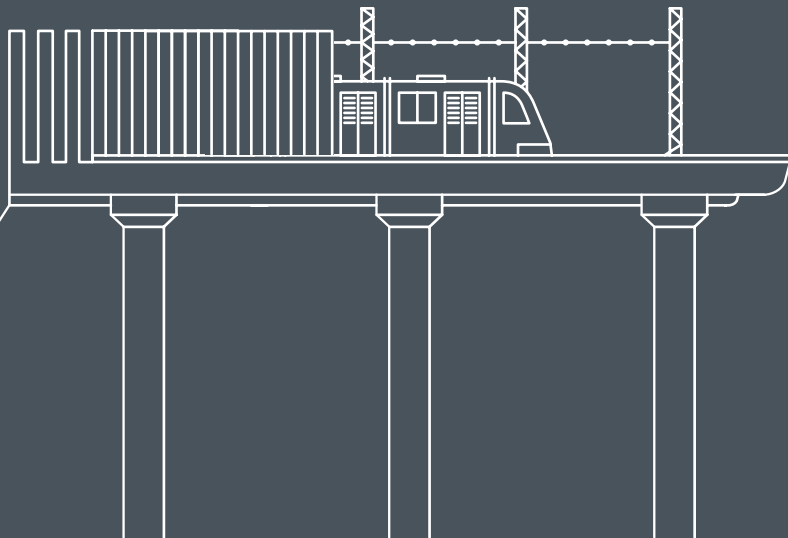
It should also be noted that in December, we completed the "Energy and Steam" project for our customer, Ecopetrol. In addition, for the same customer, during the year we continued working on the maintenance of oil pipelines that run through seven of Colombia's departments.



» *Oil Pipeline Maintenance
Colombia*

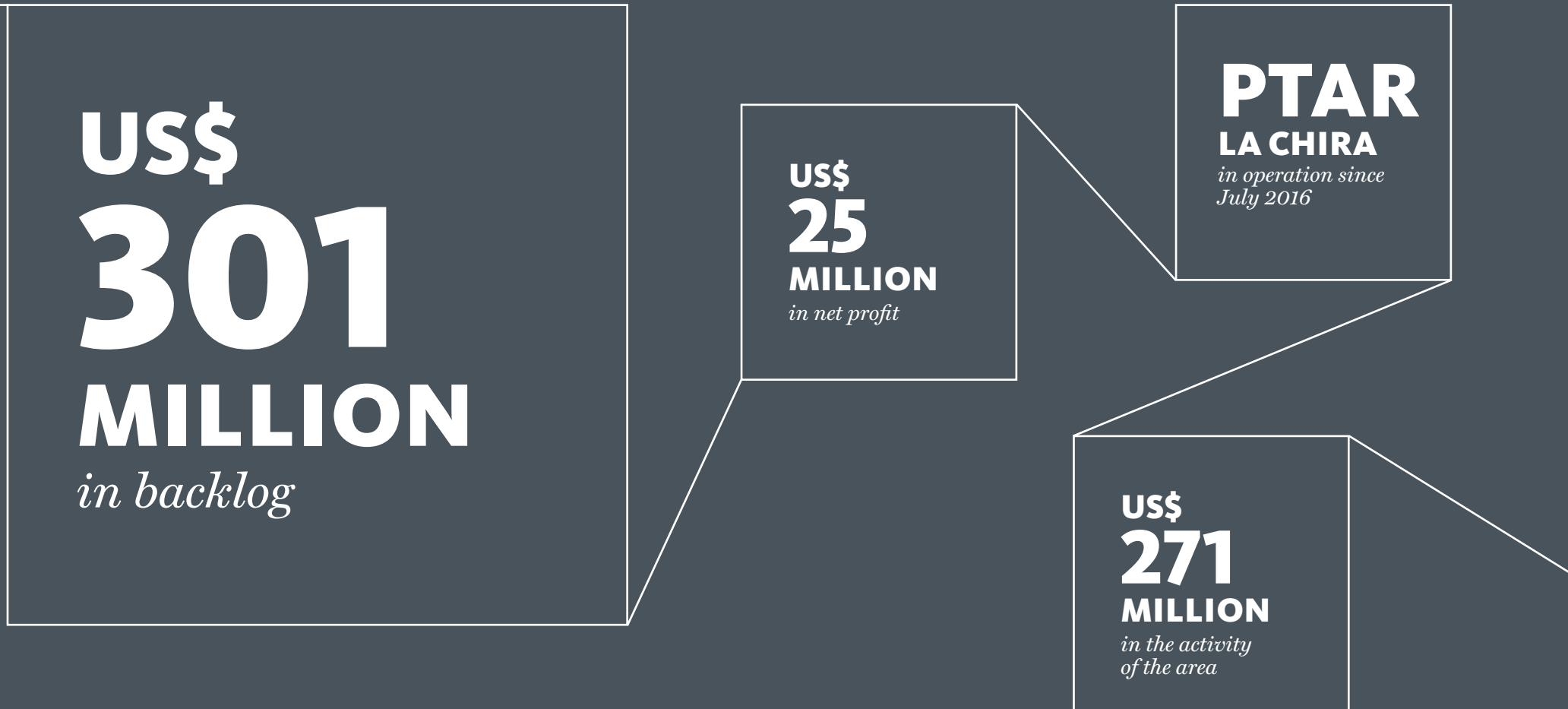


**Graña y
Montero**
Infrastructure



“Belonging to the Infrastructure team is knowing that your work is important, that the time and effort we put into a project are worth it because, in the end, we create a new reality that changes people's lives for the better.”

Baruc Ingar
Project manager at Graña y Montero



 **Graña y
Montero**
Infrastructure



« Rails of LINE 1 of the Lima Metro
Lima, Peru

Our activities in this sector began in 1994 with the Arequipa-Matarani highway, the first road concession in Peru. Through this business line, we conceptualize, develop, finance and manage projects that require a high level of investment and entail long-term contracts. We participate significantly in the growth of the countries in which we operate, whether by channeling private investment to projects of public interest, bearing performance and level-of-service risks, or contributing the skills of the private sector in highly regulated environments with the highest standards.

During 2016, the most relevant events were the issuance of the purchase order to increase the service capacity of Line 1 of the Lima Metro; the startup of PTAR La Chira, our first water treatment concession; substantial progress on the second phase of Norvial; and the start of GMP's drilling campaign in the new Lot IV.

With regard to the activity of the business line, we reached a total of US\$ 271 MM, with an EBITDA of US\$ 81 MM and US\$ 25 MM in

net profit. At the end of 2016, the area's backlog plus recurring business totaled US\$ 301 MM.

The Peruvian Southern Gas Pipes was part of this business line. Although this project is now out of the Graña y Montero business portfolio, we ratify our commitment to continue participating in oil and gas sector projects, because we consider that by doing so we continue to support the region's energy development.

In addition, during the year we continued working on the different phases of our private initiatives. A relevant occurrence was when, at year end, the Lake Titicaca Basin Waste water Plant project, which Graña y Montero submitted as a private initiative in 2014, was declared feasible. This means it is a socially profitable, sustainable project that follows the policy guidelines of the sanitation sector, which is an indispensable requirement for its execution.

Given the achievement of these milestones during 2016, we expect considerable activity for 2017 and a promising future for the area.

TRANSPORTATION

LINE 1 OF THE LIMA METRO

During 2016, the Lima Metro system made over 107 million trips, which were provided to our customers in a reliable, modern and safe manner. The regularity indicator, which measures the punctuality of the trips, was 98%, and we achieved an 87% satisfaction level.

Due to high demand for this public service, GyM Ferrovías formulated operation plans to ensure quality of service, such as the Ola Verde (Green Wave) plan for efficient management of amounts received at the stations, and the Christmas plan to manage increased usage at Christmas time.

During the year, we also issued a purchase order for 20 new trains, in order to improve the infrastructure and expand the service capacity to handle the high demand. With these trains, the waiting time will decrease from six minutes to three during rush hour. The trains will be able to transport a total of 48 thousand passengers per hour, making at least 500 thousand trips a day, according to Ministry of Transportation and Communication projections. This expansion is expected to be completed by late 2019.



« LINE 1 of the Lima Metro
Lima, Peru

WATER

PTAR LA CHIRA

During 2016, we completed construction and started up the operation of La Chira waste water treatment plant (PTAR La Chira), which makes it possible to treat wastewater from 18 Lima districts, benefiting over 2.5 million people. The plant can treat up to 11.3 m³/s of wastewater, which is then released into the ocean through a 3.5 Km-long submarine outfall. Our operations also include continuous monitoring of the ocean's environmental parameters, in order to assess the project's impact on the decontamination of the Lima coastline.

CHAVIMOCHIC

The project continued the construction of phase III of Chavimochic, making 70% progress on the first stage of the project.



» *La Chira Waste Water
Treatment Plant
Lima, Peru*

ROAD CONCESSIONS

NORVIAL

The concessionaire of the road from Ancón to Pativilca, located in northern Lima, recorded a 7.12% increase in tollable traffic compared to 2015, reaching a total of 20 million axles. The execution of the second phase of the road was 90.5% complete by the end of the year. This second phase involves an additional 57 km of roadway, from Huacho to Pativilca, and includes interchanges and bridges. These improvements will make a significant positive impact on transportation quality and times between Lima and northern Peru.

THE PAVED ROAD FROM HUACHO TO PATIVILCA

*will make a considerable
positive impact on
transportation quality
and times between Lima
and the northern part
of the country*

» Ancón - Huacho - Pativilca
Highway Toll Unit
Lima- Peru



.....
SURVIAL

This road concession, which runs from San Juan de Marcona in the department of Ica to Urcos in the department of Cusco, varies widely in elevation and has considerable impact on connectivity between the highlands and the coast for the population of southern Peru. Operating this road is a great technical challenge, due to the geographical characteristics of the areas it passes through, weather conditions, and the high elevation of many of its sections.

In 2016, the operation of the new Pampamarca toll unit started in the town of Pilluni, Apurímac, located at nearly 4,360 masl.



« *Survial Highway*
Ayacucho, Peru

.....
CANCHAQUE

This road concession, which runs from the junction of the IIRSA North highway near Buenos Aires - bound to the town of Canchaque in the highlands of Piura in northern Peru, makes a strong impact on connectivity and economic activity in the area. In 2016, traffic on the road continued to increase sharply, with 3.7% growth in heavy transport traffic compared to 2015.



**THE ROAD
CONCESSION IN
NORTHERN PERU**

*has a great impact on
the connectivity and
development of economic
activity in the area*

.....
VESUR

This project will lengthen the city of Lima's Paseo de la República expressway, connecting it with the South Pan-American highway. The purpose of the project is to make a direct connection between the city center and the highway out of the south side of the city.

During 2016, progress was made on preparatory activities for its execution. The design approved for the project entails the construction of alternative toll-free roads, a 4.9 Km toll road and new road interchanges.

» *Maintenance work on the Canchaque Highway
Piura, Peru*



OIL AND GAS

..... GMP

EXPLORATION & PRODUCTION

GMP specializes in the operation and development mature fields. During a complicated year for the oil and gas sector, our oil company achieved average production of 2,756 barrels of crude per day among the four lots it operates in Talara, Paita and Los Órganos, located in Peru's Piura region. In addition, an average of 8.30 MMSCF of natural gas were sold per day.

Toward the end of 2016, a 33-well drilling campaign was started in Lot IV. In the last nine weeks of the year, 11 wells were drilled, increasing production by 218 BBls per day as of December 31.

GMP is an important private-sector player in the economy of the area it meets high quality, safety and environmental protection standard and is also known for the positive social impact of its community activities.

AVERAGE PRODUCTION OF 2,756 BARRELS OF CRUDE PER DAY

*among the four lots
the company operates
in Talara, Paita and
Los Órganos*

NATURAL GAS

The Pariñas gas plant achieved a utilization factor of 75%, increasing 3% compared to 2015.

Over the course by 2016, 12.15 BSCF of natural gas were processed, which is equal to 33.3 MMSCFD; that is, the flow of processed gas increased 1.6 % per day. Average production of liquids was 1,263 barrels per day and recovery efficiency reached 94%.

The majority of the gas is used to generate electricity in northern Peru.

» *Pariñas Natural Gas Processing and
Fractionation Plant
Piura, Peru*



TRANSPORTATION & DISTRIBUTION **COGA**

This business unit covers the three contracts we have for the operation of 10 oil storage terminals in northern, central and southern Peru. Two consortiums are responsible for the operation of these terminals: Terminales del Perú, which operates the ones in northern and central Peru (Chimbote, Salaverry, Eten, Supe and Callao), and Consorcio Terminales, which is in charge of those in the southern part of the country (Pisco, Mollendo, Ilo, Cusco and Juliaca).

Terminales del Perú is executing a modernization and expansion plan that entails an investment of US\$ 37MM over the next 4 years.

Consorcio Terminales is executing a US\$ 25MM investment plan through August 2017, when the 2-year extension of the contract expires.

The purpose of this investment is to improve the infrastructure of the facilities and to expand the operating capacity and reception system. The Transportation and Distribution unit contributes to the safety and efficiency of the fuel distribution system, making it possible for economic agents to supply the local population in a timely manner throughout the highlands and coastal areas of southern Peru.

It is responsible for the operation and maintenance of TGP, the trans-Andean gas pipeline from Camisea in Peru. It is one of the most complicated pipelines to operate, since it runs a total of 730 Km from the jungle, over the Andean mountains to the Pacific coast. The natural gas transportation capacity for the local market is 920 million cubic feet per day and, in the case of natural gas liquids, our current capacity is 130 thousand barrels per day.

**In 2017, Coga ceased to belong to the Group.*

**THREE
CONTRACTS
FOR THE
OPERATION OF
10 OIL AND GAS
TERMINALS**
*in northern, central
and southern Peru*



» Oil and Gas Terminal in Puno
Juliaca, Peru



**Graña y
Montero**
Real Estate



“Through my work, I enable many families to achieve their dreams of owning their own home, a safe and comfortable place that improves their families’ lives. It is truly gratifying to see how happy people are when we hand over their new home to them”

Herminia Aranguren
Sales supervisor at VIVA GyM



1,711
**REAL
ESTATE UNITS**
sold

#1
**COMPANY
IN SALES**
of low-income housing

**US\$
122**
MILLION
total sales volume

**STAR
PROJECT**
*Los Parques
de Comas*

**Graña y
Montero
Real Estate**



In 2016, the Peruvian real estate market maintained the same level of sales as in 2015 and 2014. However, there was growth in the sales of the Techo Propio product due to an increase in supply of the product, as the sales price increased to 20 UIT (tax units), and the housing subsidy rose from 4 UIT to 7.1 UIT.

All of this had a highly positive impact on Real Estate, which ended the year with a total of 1,711 real estate units sold; that is, 80% more than in 2015. According to Mi Vivienda Fund reports, VIVA GyM was the number one company in sales of low-income housing units in Peru.

The star project of 2016 was Los Parques de Comas. Each of its products—whether Techo Propio, with S/. 80,000 apartments; the Villa Los Molles condominium, with S/. 130,000 apartments; or Alborada Club Residencial, with S/. 170,000 apartments—had the highest number sold in the country. Of the 1,711 units sold in the year 2016, 986 were at Parques de Comas.

In addition, there were substantial improvements in sales of our other projects, such as Los Parques de Carabayllo II, Los Parques de Villa El Salvador II, Los Parques del Callao, and Los Parques de San Martín de Porras.

We ended 2016 with a total sales volumen of US\$ 122 MM and a net profit of US\$ 23 MM. The results for the year corroborated our strategy of continuing to work with projects financed by the Mi Vivienda Fund and Techo Propio, as well as our decision to develop a very large portfolio that enables us to reach a bigger market.

It is also important to mention that, for the 6th year in a row, VIVA GyM was recognized by Great Place to Work, placing 6th in the category of companies with 30 to 250 workers. Additionally, in May 2016, we placed 33rd among the best places to work in Latin America.

« 3D image of El Nuevo Rancho
Lima, Peru



VIVA GyM

OFFICES

During 2016, we continued with sales of the Rivera Navarrete building in the business area of San Isidro, where 90% of the offices offered for sale were sold.

In August 2016, we completed the construction and handover of the Panorama office building in La Molina. By the end of the year, 75% of the offices had been sold.

In addition, we continued construction of the Real 2 building in the Centro Empresarial business park in San Isidro. By the end of 2016, 94% of the offices had been sold.

**90% OF
OFFICES
SOLD**
*in the Navarrete
building*

« *Riviera Navarrete Building*
Lima, Peru



TRADITIONAL HOUSING

We completed the construction of the El Nuevo Rancho condominium in Miraflores. It has a total of 116 apartments, of which 65% have been sold. These homes were handed over in December 2016, and we expect to sell the rest during 2017.

In 2016, we continued the construction of the emblematic Klimt Project on Avenida Pezet in San Isidro. By the end of the year, 17 apartments out of a total of 32 had been sold. We also began sales on our Parques del Mar project in San Miguel. It will be a building with an ocean view and approximately 290 70 m² apartments.

Additionally, in order to continue satisfying demand from the high-income segment, we purchased another piece of land on Avenida Pezet in San Isidro. This project will be a continuation of the Klimt project.

By the end of 2016, we had also arranged to buy a piece of land in Barranco, facing Malecón Paul Harris.



« 3D image of the future Los Parques del Mar Project
Lima, Peru

**NEW PIECE
OF LAND**
*will give continuity
to the Klimt Project*

« 3D image of an
apartment in the
Klimt Project
Lima, Peru

LOW-INCOME HOUSING

In Lima, the Los Parques de Comas project sold at a very good pace, making it the VIVA GyM star project. By the end of 2016, we had turned over 1,022 apartments in different formats: 729 50 m² Techo Propio apartments, 105 60 m² apartments in the Villa Los Molles condominium, and 188 72 m² apartments in Alborada Club Residencial.

We also maintained a good level of sales in our Los Parques de Carabaylo II, Los Parques de Villa El Salvador II, and Los Parques del Callao projects, as well as our two projects in San Martín de Porres.

In Piura, we started the construction of phase II of the Los Parques de Piura project, where we have already sold 92 apartments. In addition, we began the sale of our next product for Piura, which consists of two-story, 70 m² houses.

In summary, we sold 1,618 low-income housing units, which have a total area of approximately 97,500 m².

ALMONTE

INDUSTRIAL LOTS

It should be mentioned that we have also begun the sale of our new real estate product located in Huancayo, which consists of the sale of serviced lots. This first project has approximately 429 lots, divided in 4 phases with approximately 107 lots each. We started selling them in the month of October 2016 and, by the end of the year, we had sold 81 lots out of 107 in the first phase.

We were the first to have an approved comprehensive plan en Lurín, and the first to obtain urban authorization status. We have 300 hectares of net saleable area yet to develop, and in the first quarter of 2017 we will be doing the commercial launch of phase II of the project.

During 2016, we sold 4 real estate units, which represent approximately 250 thousand m² of land sold.



3D image of the future Los Parques de Aneón Project
Lima, Peru

 **Graña y
Montero**
Services



“We work to serve people and fulfill their needs with efficient solutions. Our services contribute to the growth of the companies we serve, improve people’s lives, and contribute to the country’s development.”

Joe Estrada Ponte
CAM Warehouse Assistant



**US\$
417
MILLION**
annual activity

**US\$
858
MILLION**
in backlog

**MAJORITY
PARTICIPATION**
*in Adexus,
a regional company*

 **Graña y
Montero
Services**



In 2016, a relevant fact was the growth of the activity of Services business line. We achieved to US \$ 417 MM of annual activity and US\$ 35 MM of EBITDA.

The Backlog also had a significant growth in most of the companies, which allowed us to obtain US\$ 858 MM.

In 2016, we became the majority shareholders of Adexus, a regional IT company.

For its part, CONCAR, a company that operates infrastructure, got two important contracts to rehabilitate and preserve more of 750 km of roads in Peru. At the end of the year, it entered the Chilean market; through a contract that allows receive electrical maintenance to the Lines 4, 4A and extension of Metro Line 5 of Santiago de Chile.

On the organizational level, CAM had advances in the structure of the Electric and Telecommunication Business unit.

In summary, 2016 was a good year for the service area and this was reflected in the financial results obtained by different companies.

« Toll collection on the
Ancón - Huacho - Pativilca Highway
Lima - Peru



« Our Help Desk team
Lima - Perú

GMD

BUSINESS PROCESS AND INFORMATION TECHNOLOGY OUTSOURCING

GMD started its operations in 1984, as the first technology outsourcing company in Peru. It provides business process and IT outsourcing services to the industry and commerce, banking and finance, government and mining sectors, and now has over 2,300 workers.

During 2016, we continued with the consolidation of our Help Desk service, incorporating new customers from the public and private sectors, such as Ferreyros, Aceros Arequipa, Lindley, SEDAPAL, MINEDU, and FONAFE, among others. Currently, we provide support to over 70 thousand nationwide.

With regard to Datacenter services, we expanded our Cloud, Security, Database and SAP activities. Additionally, in Application Outsourcing services, we continued promoting Testing services in the Banking and Finance sector. We also created the Digital Transformation area, in order to foster innovation and specialization through mobile and Internet-of-things solutions in our customers' companies.

**OVER 130
MILLION
DOCUMENTS**
digitized to date



Another relevant event was the signing of the 20-year concession contract on the Collection System for Public Transportation in Trujillo, which comprises the design, implementation, operation and maintenance of the electronic collection and fleet management system.

In the sanitation sector, we continued consolidating our activity through the management of 400,000 meters on the south side of Lima and our work with the largest customers in Lima. In addition, we became involved in the implementation of Telemetry Solutions for remote service delivery management.

We continued strengthening our document management services, with over 130 million documents digitized to date, and over 48 million bills of exchange, checks and promissory notes processed.

With regard to internal management in 2016, for the third year in a row, GMD was named a great place to work (GPTW) in Peru, placing 14th in the ranking of companies with over 1,000 employees.

« *Data Vault*
Lima, Peru



« Railway infrastructure operation
Lima, Peru

CONCAR

OPERATION AND MAINTENANCE OF ROAD AND RAILWAY INFRASTRUCTURE

In 1994, CONCAR became Peru's first road concessionaire. Today, it is the leading company in infrastructure operation and maintenance in Peru and is in the process of consolidating its position in the region.

In January, CONCAR was awarded a contract for the management, improvement and maintenance of the 209-kilometer Molle Puquio road. In addition, in February, it was awarded a contract (as part of a consortium) to manage, improve and maintain 569 kilometers of highway between Dv. Abancay and Dv. Ayaviri. These projects directly benefit the departments of Apurímac, Cusco, Ayacucho and Puno.

At the end of 2016, in December, CONCAR—in consortium with our electrical services company, CAM Chile—was awarded a five-year contract for the electrical maintenance of Line 4, Line 4A and the extension of Line 5 of the Santiago, Chile metro. This experience is in addition to the operation and maintenance contract CONCAR has had since 2011 on Line 1 of the Lima Metro.

CAM

OPERATION AND MAINTENANCE OF ELECTRICAL AND TELECOMMUNICATIONS INFRASTRUCTURE

CAM is a regional company that operates in Chile, Peru and Colombia.

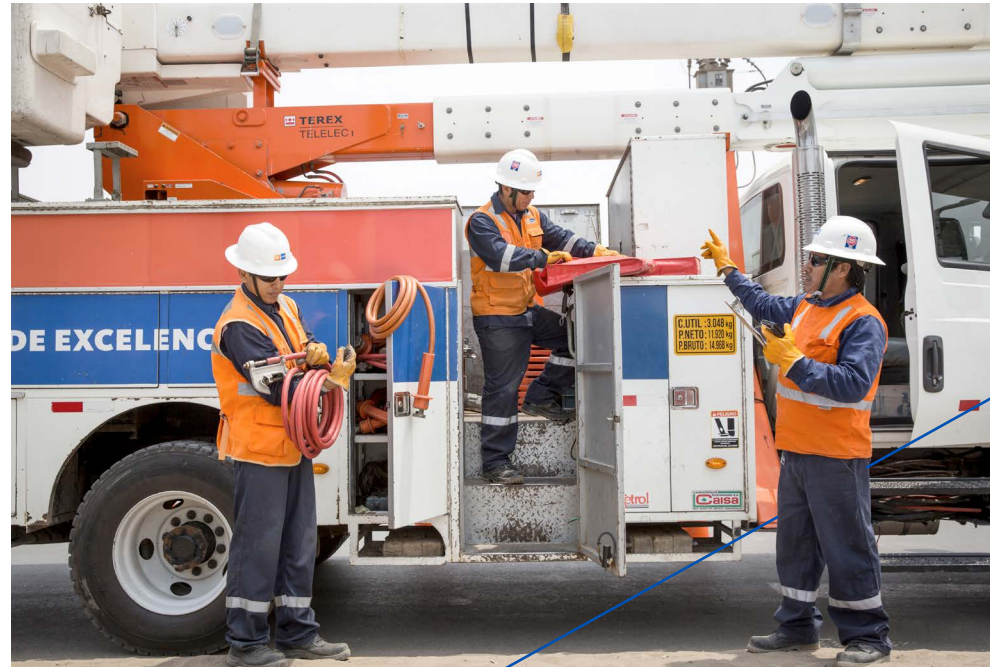
In January, our branch in Colombia various was awarded a contract on services for Electricaribe S.A., a company belonging to the multinational Spanish Gas Natural Fenosa group. In addition, in November, CAM Colombia was awarded a contract on loss control services for EmCali.

CAM Peru was awarded a contract for the Complete Construction and Maintenance Service in Medium and Low-voltage project for Edelnor; in the month of May, it was awarded a contract for technical and commercial activities to reduce and monitor power losses in low voltage for Hidrandina and Enosa; and in the month of September, it was awarded a 3-year contract for general services and works at Telefónica del Perú facilities.

» *Single-phase meters
CAM Peru headquarters*



Our Chilean branch was awarded a contract with Asociación Chilena de Eficiencia Energética for the changeover of 7,500 light points to LED technology in the community of La Pintana in the city of Santiago. In addition, an important contract with Movistar for the installation, repair and outside plant services for zone 4 and the south side of Santiago, Chile was renewed. Lastly, CAM Chile obtained a five-year contract—in consortium with our infrastructure operation company, CONCAR—for the electrical maintenance of Line 4, Line 4A and the extension of Line 5 of the Santiago, Chile metro.



**IN 2016, WE
CONSOLIDATED
OUR RANGE
OF SERVICES**
*in the telecommunications
sector*

» *Work on high
voltage line
Lima, Peru*





ADEXUS

WE LIVE AND BREATHE INNOVATION

ADEXUS is a company with over 26 years of experience in the Outsourcing Services and Information Technologies market, with operations in Chile, Ecuador and Peru.

On the commercial level, during 2016 Adexus was awarded important contracts in the banking, government, and industry and trade sectors, which enabled it to revamp and expand Operational Continuity and ICT Outsourcing services throughout Chile. An example of this is the contract to provide support services and operational continuity solutions for the Caja Vecina POS network throughout Chile for Banco Estado, the institution with the largest network in the country.

In addition, Adexus was awarded a contract to develop the software for the Vote Recount System for electoral processes, and to operate the Computer Center for the 2016 municipal elections and the 2017 presidential election.

We were also in charge of the implementation of a private 4GLTE communications network in Tierra del Fuego for a major oil and gas exploration and production company. Through the implementation of IoT solutions, we facilitated communication, data and video operation and services in remote areas, which enabled us to establish a pioneering service in the country and the southern hemisphere, in one of the most remote and inhospitable places on earth.

HOW

WE DO IT

OUR COMMITMENT TO DOING THINGS RIGHT

*At Graña y Montero, we guarantee
a responsible management of our
businesses and contribute to the growth
of the societies where we operate.*

SUSTAINABILITY STRATEGY

As part of Graña y Montero’s work style, we seek to create value in the long term, i.e. we want to develop profitable businesses that are socially and environmentally responsible. This allows us to build trust and transcend as an organization by promoting a virtuous development circle from which both business and society can profit.

In accordance with this strategy, the Group’s Board of Directors approved the Corporate Sustainability Policy in January 2016, which updates and integrates the previous Environmental (1998), Risk Prevention (1999) and Corporate Responsibility (2005) policies. This document defines clear guidelines and commitments related to the seven most important topics of our sustainable management, which have been defined from the evaluation of our risks and impact on stakeholders.

Given the nature of our businesses, it is essential to ensure a comprehensive non - financial risk management. Therefore, as part of the 2017 Strategic Planning Process, our Board of Directors approved the incorporation of an “Environmental, Social and Governance” category in our different companies’ risk matrixes.

Additionally, every year we carry out evaluation processes to identify improvement opportunities and set action plans. In this regard, we participated in 2016 in the French Agency Vigeo Eiris’ review, under the “2020 Sustainable Leadership Agenda - ALAS20”, and we received a distinction as a Socially Responsible Company by the association Perú 2021.

OUR MANAGEMENT PRIORITIES



¹ We consider the definition of sustainability proposed in the Dow Jones Sustainability Index by Jhon Elkington (1997)

HOW DO WE DETERMINE THESE PRIORITIES?

Every other year, the 10 most important companies of the Group carry out internal workshops to review and prioritize their environmental, social and governance risks (ASG). The perceptions of the main stakeholders are also collected, and international trends and best practices of leading companies are reviewed to complement this. (G4-18)

RISK AND IMPACT ANALYSIS

*10 internal
Workshops*



PERCEPTIONS OF STAKEHOLDERS

*Surveys,
interviews and
external sources*



INTERNATIONAL TRENDS AND BENCHMARKING

*22 leading
companies analyzed*



**MANAGEMENT
AND
COMMUNICATION
PRIORITIES**



DETAILED PRIORITIES ACCORDING TO BUSINESS AREA (G4-19)

◆ Engineering and Construction
 ◆ Infrastructure
 ◆ Real Estate
 ◆ Services

Topics	Specific aspects	Engineering and Construction	Infrastructure	Real Estate	Services
Ethical behaviour	Compliance and fight against corruption	◆	◆	◆	◆
	Good corporate governance	◆	◆	◆	◆
Professional development	Professional development	◆	◆	◆	◆
	Knowledge management	◆			
	Turnover and retention				◆
Operational excellence	Quality	◆	◆	◆	◆
	Compliance with deadlines	◆		◆	
	Compliance with service levels		◆		◆
	Innovation and technology	◆	◆	◆	◆
Safety and health	Safety and occupational health	◆	◆	◆	◆
	Road safety	◆	◆		◆
Environment	Waste management	◆			◆
	Spill prevention		◆		
	Energy and emissions	◆	◆		
	Environmentally efficient products and services	◆	◆	◆	
Communication and dialogue	Relationship with the government	◆	◆	◆	◆
	Relationship with strategic partners	◆		◆	
	Relationship with client companies (B2B)	◆			◆
	Relationship with customers (B2C)		◆	◆	
	Relationship with the community	◆	◆	◆	◆
Sharing welfare	Skill development – Community	◆	◆		◆
	Transfer of standards – Suppliers	◆			◆
	Citizenship promotion – Clients		◆	◆	



ETHICAL BEHAVIOR

"One of the things with which I identified greatly when I entered Graña y Montero was the company's values, taught through personal example. Our way to do things has shaped my life and I'm sure that it has also left a positive impact on the environment."

*Maria del Pilar Sabogal
Legal Manager*



ETHICAL BEHAVIOR

**9
YEARS**

*in the Good Corporate
Governance Index
of the Lima Stock
Exchange (BVL).*

**85%
OF OUR EMPLOYEES
AND 97% OF
OUR EXECUTIVE STAFF**

*have been trained on
anti-corruption issues*

**CORPORATE
GOVERNANCE
LEADER IN 2016**

as per the ALAS20 award

ETHICAL BEHAVIOR

For the Graña y Montero Group, it is crucial to behave with integrity, in an ethical and transparent way. We are committed to abide by the law in all the countries where we operate, including the U.S Foreign Corrupt Practices Act (FCPA) that applies to us as a result of our shares being listed in the New York Stock Exchange.

In this sense, we have put in place a corporate and ethical compliance system, which is undergoing an improvement process, training on, preventing, detecting and punishing potential corruption acts in our business deals and relationships with our stakeholders. Though in the last few years significant progress was made, we believe that our efforts are still not enough, and now, more than ever, we know that these systems are essential for the continuity of our business and the protection of our good reputation.

Management tools

- Ethics Charter (1995)
- Code of Conduct (2012) *
- Ethics Channel and Ethics Committee (2017) *
- Anti-corruption compliance programa (FCPA) and anti-corruption policy (2015) *

* They were reinforced during 2017 and 2018 by the Risks and Compliance area



DEVELOPMENTS IN OUR ANTI-CORRUPTION SYSTEM

During 2016, our efforts regarding compliance and prevention were focused on the deployment of the Anti-Corruption Policy in the various Group's companies. As part of this process, we implemented a training program on the main anti-corruption guidelines, which trained 85% of employees. These training sessions were combined with ten on site specialized courses, such as one on "Money laundering prevention", addressed to employees from the construction and real estate areas.

Additionally, as part of the Senior Management's commitment to send out a clear message of zero tolerance to bribery and corruption, we have included these topics in the Board of Directors' periodic agenda, and we also have a Compliance officer who reports to the Audit and Processes Commission.

At the process level, we keep on performing Due Diligence for mergers and acquisitions, and we have spread the "Know Your Partner" (2015) initiative, through which preventive assessments were performed on 111 potential strategic partners, 13 suppliers and 9 potential recipients of grants. In this regard, anti-corruption clauses were included in contracts with suppliers, and a specific donation procedure was implemented.

Since 2013, we have implemented an Ethics Channel that constitutes the main channel for reporting potential complaints. An independent company operates this channel in order to guarantee that the cases are handled in an unbiased, transparent and confidential way. During 2016, we received 34 cases, out of which 26% were solved, 59% are still under investigation and 15% were declared inadmissible. Since this tool was created, we have received 211 complaints, none of which was related to bribery or corruption of public officials.





2016 PROGRESS

- We strengthened our culture of prevention in anti-corruption topics, training 85% of our employees.
- We implemented the “Know Your Partner” initiative and we established anti-corruption clauses in contracts with providers and intermediaries.
- Together with CAPECO, we helped create the Code of Ethics of the construction sector in Peru.

2017 CHALLENGES

- Update our matrix of existing risks, processes and controls.
- Revise and continue to reinforce our policies and procedures, mainly those related to the choosing of strategic partners and providers.
- Implement a segmented training plan in accordance with companies, areas and critical roles.
- Strengthen the area of compliance in the Group.



PERSONNEL DEVELOPMENT

"I feel that the company is concerned about my personal growth; it offers me permanent training and helps me accomplish my professional and personal goals. I know that here I will have opportunities to go far."

*Renzo Justo Casaretto
Field Assistant (GyM)*



PERSONNEL DEVELOPMENT

**28,000 +
DIRECT
JOBS**
created

**419,000 +
MAN HOURS**
*of training for employees
and laborers*

**10
YEARS**
*without social conflicts
with formal labor
unions*

83%
OF WORKERS
feel they work at a great place

PERSONNEL DEVELOPMENT

We acknowledge that our people are the organization's most valuable resource, and we are convinced that with "the right person in the right place" we will achieve better results. Therefore, we seek to attract and develop top talent, offering them a place for growth and learning in line with the Graña y Montero Style, and a work environment of respect, camaraderie and trust.

Management model

"The right person in the right place"

- 1.- Attraction
- 2.- Performance management
- 3.- Development and loyalty-building

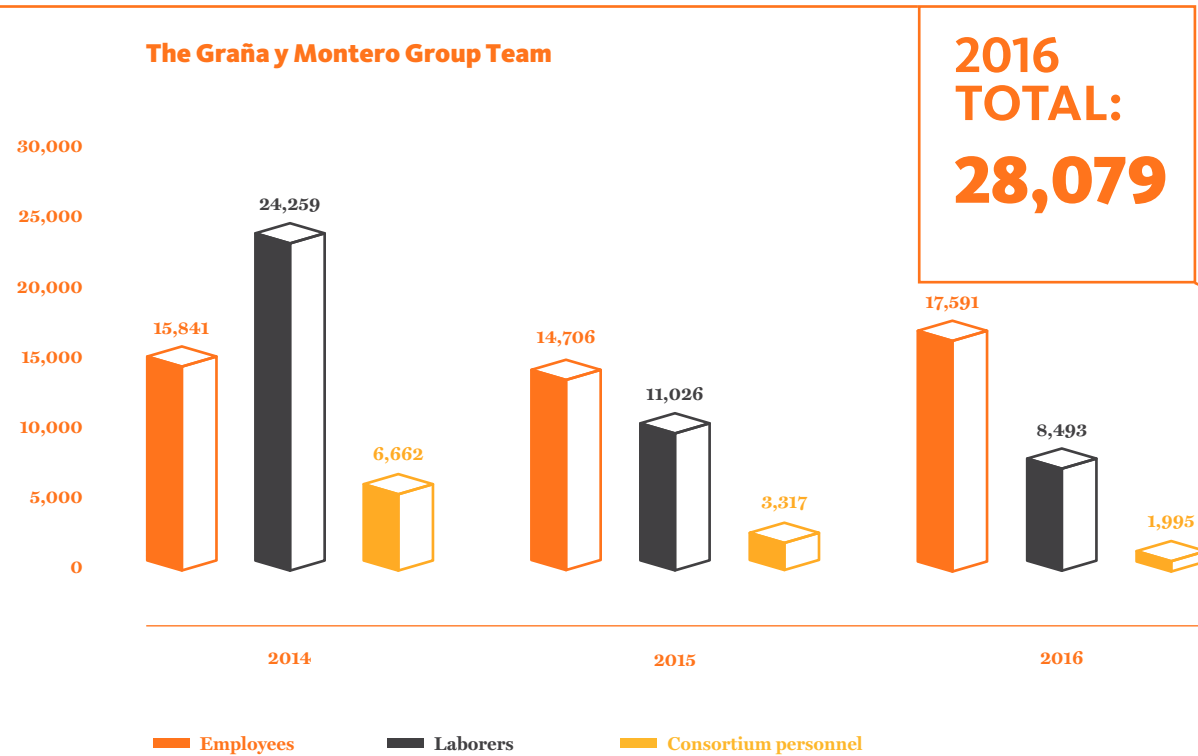
Graña y Montero style

- Corporate policies and values
- Ethics Charter, Code of Conduct, and Anti-corruption Policy
- Book titled "El Estilo Graña y Montero" (Graña y Montero's Style)



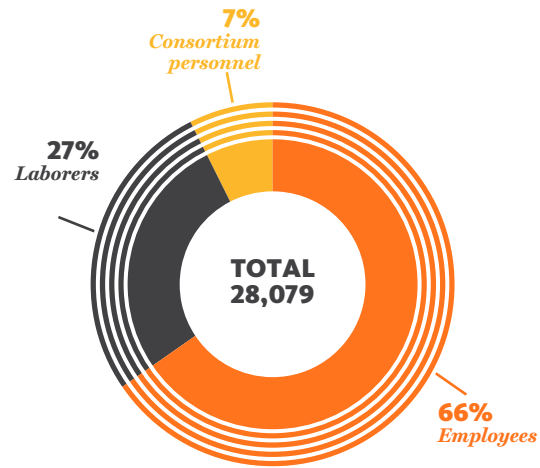
OUR TEAM

In 2016, the Graña y Montero Group was made up of 28,079 people, including employees, laborers and consortium personnel. This figure represents a reduction of 3.3% in comparison to 2015, due to lower economic activity and the completion of important projects, such as the Cerro del Águila Hydroelectric Station.

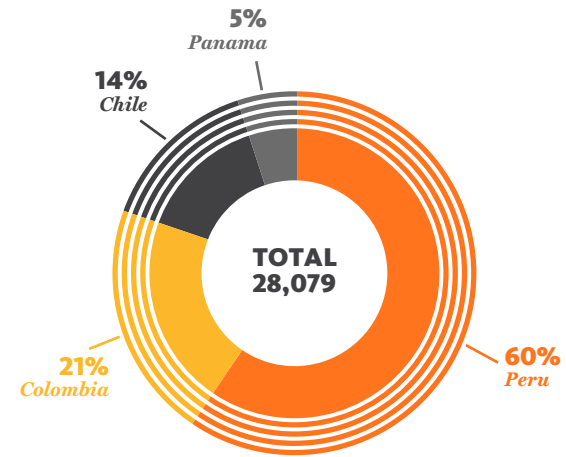


OUR TEAM

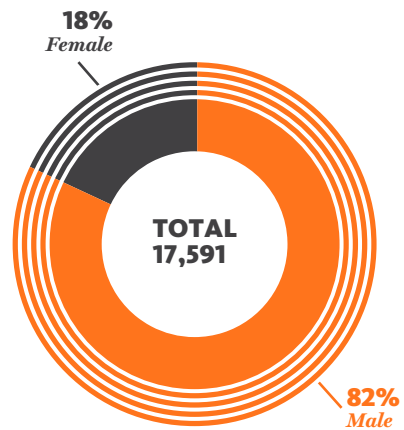
Composition of the team



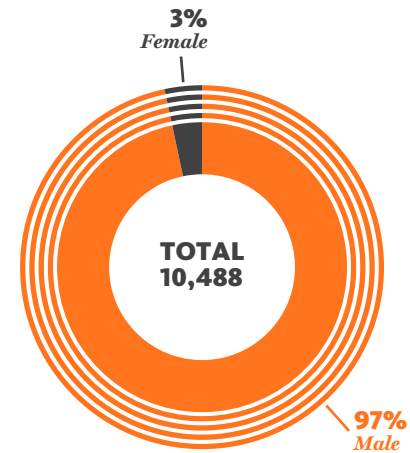
Distribution of workers, by country



Distribution of employees, by gender



Distribution of laborers, by gender



OUR TEAM

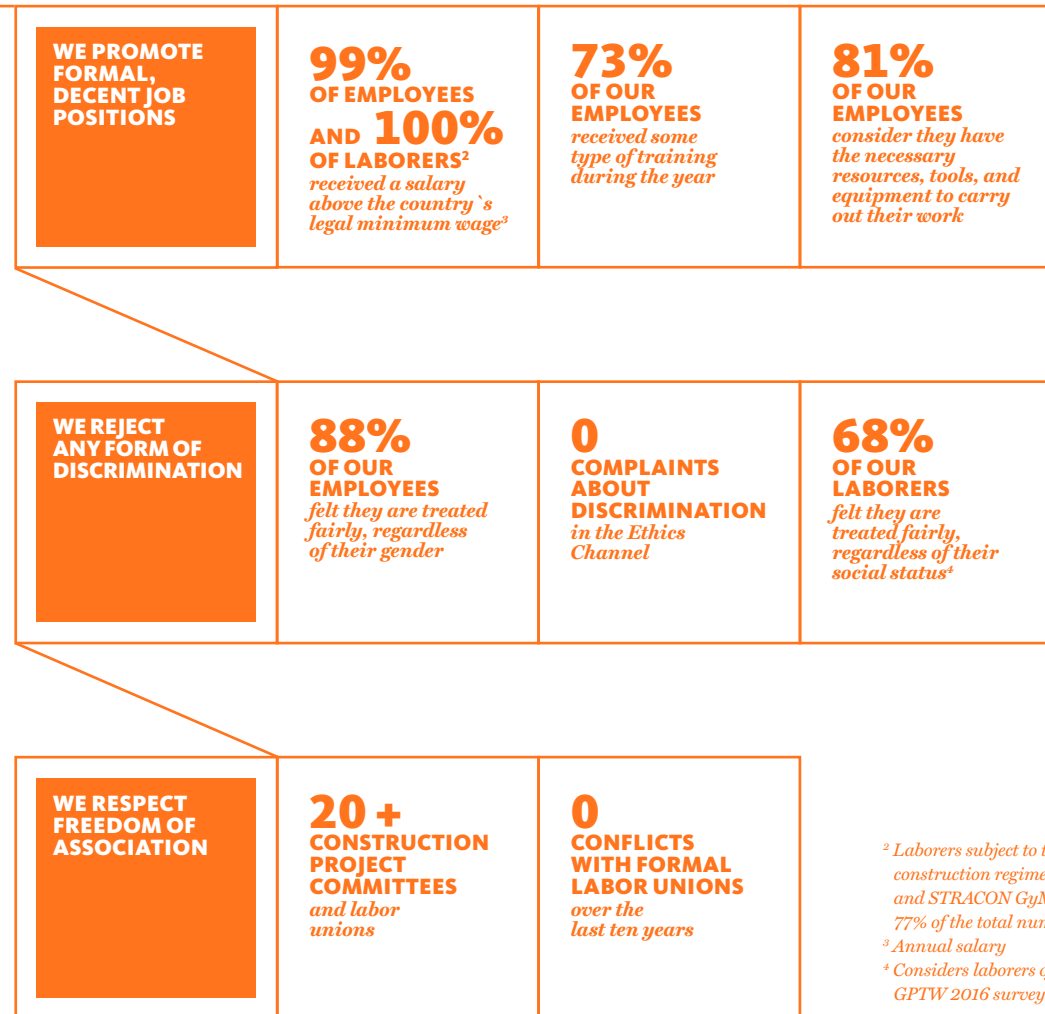


Principales resultados 2016

As our Ethics Charter and Corporate Sustainability Policy states, at Graña y Montero we reject any form of discrimination, and we provide the same access and development opportunities to all of our workers. Currently, 18% of the people on our employee payroll are women; in the case of Viva GyM and Graña y Montero (headquarters), this number rises to 54% and 53% respectively. In addition, 17% of our management positions are held by women.

Although only 3% of our laborers are female, we see this situation as an opportunity to promote respectful behavior among men and women through workshops and psychological advice aimed at preventing violent situations in and outside the company.

As signatories of the Global Compact, we are committed to the protection of fundamental rights in the workplace and decent employment, which implies freedom of association, rejection of forced labor and child labor, and the elimination of any type of discrimination.



OUR TEAM

We maintain good relations with labor unions in all circumstances. For the past 11 years we have participated at the negotiations table of the collective agreement between CAPECO and civil construction labor union federations at the national level, where we have contributed to reaching agreements within the established time periods, with benefits and improvements in line with the sector's growth.

We also promote the formation of the Construction Project Committees in all of our projects with more than 20 people, in order to establish organized, fluid communication between the company and the workers. As an innovation in labor union management, GyM has implemented a social and labor monitoring system that gives us a better understanding of workers and Construction Committees needs.

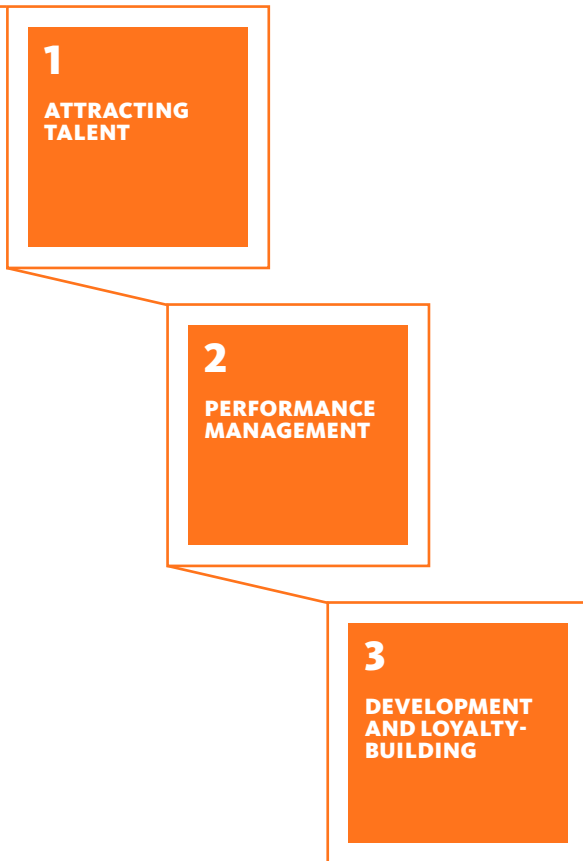
In 2016 we successfully dealt with more than 20 Construction Project Committees and labor unions. This preventive approach made it possible to avoid having any social conflicts with formal labor unions.

⁵ GyM: 8 works committees and 4 unions,
Stracon GyM: 1 works committee, CAM
Chile: 8 unions
GMP: 1 union



OUR PEOPLE MANAGEMENT MODEL

In 2016 the strategy of the Group's people management was based on the "the right person in the right place" motto. With this view, we reaffirm that our people are the differentiating factor in the execution of our operations.



1. ATTRACTING TALENT

Our objective is to attract professionals and technicians with high potential and to identify in them the competencies required by the Group and the values of the Graña y Montero Style. For this purpose, we implemented competitive and transparent selection processes aligned with the needs of our projects and operations.

One of the most important initiatives is the Trainee program, which selects the most outstanding young people from the country's top engineering schools and trains them for six months. Since its creation in 2010, this program has enabled us to recruit 766 junior engineers from Lima and other provinces, helping to reduce the barriers many young people face in obtaining formal employment.

Our selection processes also take into account the social expectations of the of the social environment. For example, through the Developing Skills for Job Placement program, we make significant efforts to provide training for members of the communities surrounding our projects, which enables us to hire 100% of the unskilled labor locally.

Main initiatives in 2016:

- We enhanced our online recruiting platforms: Jobsite (150,000 resumes of potential employees), LinkedIn and the Chambita web portal (21,600 applications for operations positions, 38% more than in 2015).
- We conducted a monthly average of 250 selection processes for employees.
- We obtained over 105,000 applications for operating positions through our decentralized offices in Lima, Arequipa, Cajamarca, Cusco, Moquegua, Talara and Tacna.
- We have a database of over 127,000 civil construction resumes (GyM).
- We implemented a training program for heavy machinery operators that provided 4,590 hours of training and made it possible to hire 27 members of the community as equipment operators (STRACON GyM).

Local Hiring 2016

	GyM	STRACON GyM	Morelco	CONCAR
Percentage of local employment out of total unskilled labor	100%	100%	100%	79.9%
Percentage of local employment out of total under the common regime	70%	65%	Not applicable (*)	Not applicable (*)
Percentage of local employment out of total under the civil construction regime	51%	79%	Not applicable (*)	Not applicable (*)

(*) The distinction between the common and civil construction labor regimes is not applicable to Morelco and CONCAR.

2. PERFORMANCE MANAGEMENT

We recognize that the achievement of our strategic objectives is intrinsically linked to our workers' daily performance. Therefore, we seek to clearly establish and explain what is expected of them in terms of attitudes and results, measure their progress, and know their expectations with regard to their role in the organization.

In 2016, we continued conducting assessments, covering 79% of our employees and 11% of our laborers (civil construction).

The results of these processes are an important input for promoting career paths and objective recategorization, which in 2016 made it possible to cover 235 job openings with Group workers and to promote 263 laborers.



3. DEVELOPMENT AND LOYALTY-BUILDING

We are committed to the professional and personal development of all of the Group's workers. Therefore, we have the Graña y Montero Academy, which is the main place used for training, learning, exchange of experiences and knowledge management in the Group. Through it, we provide an attractive, up-to-date curricular structure with 846 online and face-to-face courses that seek to develop the competencies and skills required by the organization, with the active participation of our 505 in-house instructors.

In addition, the Academy has diverse technological tools that facilitate connectivity between people and rapid access to information.

In 2016

- We offered 202 courses through the Virtual Classroom, with 166,897 sessions recorded on the platform.
- Over 300 workers participated in the 23 traveling courses held at the projects.
- We have a large virtual library with over 2,800 documents (books, dissertations, internal and external papers, videos, talks, blogs, manuals, documents from workshops and conferences, etc.)
- We maintained our Network of Experts, made up of over 3,000 professionals, where 7,604 sessions were registered.
- We implemented 14 knowledge communities, in order to bring professionals from related fields together to share ideas, good practices and solutions to common problems.
- We organized the first edition of Conecta 2016, for the purpose of sharing knowledge among the different companies in the Graña y Montero Group. This space seeks to approach innovation and technology topics relevant to our business.



Training 2016

Item	Engineering and Construction	Infrastructure	Real Estate	Services	Holding Team	Total Group	
						2016	2015
Total man hours of training	49,685	15,552	3,564	310,385	1,431	380,617	386,047
Average man hours per employee	15	28	28	23	8	22	26.3
Percentage of workers that received training at least once during the year	59%	91%	100%	75%	78%	73%	85%
Number of in-house instructors	101	31	20	338	15	505	551

In the case of our laborers, we provide specific training sessions that responded to the project's needs and also enhance their knowledge, in order to counteract the temporary nature of projects and the cycles of the construction sector.

- We provided over 38,000 man hours of training for laborers, with four objectives: technical updating, attitudinal development, skill development and complementary training, and risk prevention (GyM).
- We organized different theory and practical workshops to give our workers the opportunity to specialize. Among these were tile work, masonry, and electrical installation workshops, as well as other. A total of 274 workers participated (CONCAR).
- We seek to reinsert our workers in the basic educational system through the CONCAR School Project, so that they can complete their primary and secondary studies. Workers attend classes at the Alternative Basic Education Centers (CEBAS) closest to their homes, with flexible schedules and at zero cost. In 2016, the number of workers participating in this program increased 27.7%.

In addition, we want our workers and their families to feel motivated and close to the company, so we offer them programs geared toward a good work-life balance.

- **Recognitions:** Every year, we award employees with the Corporate Values recognition (for having a high level of performance and exemplifying the Group values) and for Years of Service (25 years with the Group). In the case of our laborers, we honor the best worker of the year.
- **Gym at the office:** We encourage our workers to engage in physical activity on company facilities. Therefore, we have a gym at our administrative offices in Surquillo, where they can work out whenever it is convenient for them, with access to a personal trainer and nutritional advice.
- **Keeping the family close:** We carry out initiatives for our workers' children, such as recognition of children with outstanding performance at school, drawing contests, visits to the projects, etc.

- **Preventive check-up:** We provide annual check-ups in order to care for our workers' health, creating a culture of disease prevention. In addition, our laborers received talks on health, policies, and insurance.
- **Corporate celebrations:** Every year, we celebrate another year of operations with the workers from all of the companies in the Graña y Montero Group. The purpose of this celebration is to thank our workers for their invaluable contribution.

THE ROLE OF GRAÑA Y MONTERO'S LEADERS

Leaders play a key role in guaranteeing our workers' performance, commitment and development, as well as in transmitting the Graña y Montero Style by their example.

Their work begins with the identification the business's need, which translates in job positions, functions and competencies. In addition, the feedback and follow-up they provide their teams for the purpose of increasing their potential through access to new experiences and learning opportunities is essential.

With them, we work on three training programs, which made it possible to train 177 of the organization's leaders in 2016: Executive Program (50 high-level executives), Executive Training Program (150 high-level executives), and leadership workshops aim to all of our workers in supervisory positions.

Lastly, all of our leaders are evaluated through a leadership survey, the results of which reached 82%, showing a 6 - point improvement.





2016 PROGRESS

- We strengthened our personnel management system with an execution-based comprehensive approach.
- We increased the use of the virtual classroom, especially in Colombia and Chile.
- We came in 5th in Merco Talento's ranking of the top companies for attracting and retaining talent in Peru.
- We placed 1st in Laborum's Employer Branding Study - Construction and Real Estate category.
- For the seventh year, our companies were recognized as the best companies to work for (GPTW): Viva GyM placed 6th, GMP placed 7th, GMD placed 14th, and STRACON GyM placed 17th in their respective categories.

2017 CHALLENGES

- To continue working on the concept of "the right person in the right place," with emphasis on execution.
- To strengthen the self-development culture so that the workers take better advantage of the training tools available.
- To meet the Peruvian Ministry of Labor's requirements related to the certification of laborers.
- To standardize and expand the scope of the performance evaluation process for laborers on every project.



OPERATIONAL EXCELLENCE

"We work with discipline to meet and exceed the clients' expectations, delivering efficient and high quality results. Getting things done and enhancing their value makes me feel proud of our work."

*Soledad Silva Arroyo
Lab Inspector (CAM Perú)*



OPERATIONAL EXCELLENCE

100%
PROJECTS
before the deadline⁶

**90% +
COMPLIANCE**

*with service availability,
regularity and cleanliness indicators
on Metro Lima LINE 1*

**81% +
COMPLIANCE**

*in operational management
of companies in the service area*

⁶ The companies that audit the compliance of their projects; deadline through an independent third party are: GyM, GMI, GMP, Viva GyM, and GMD.

OPERATIONAL EXCELLENCE

At Graña y Montero, operational excellence is one of our main competitive advantages which is evidenced in terms of the quality, efficiency, compliance and profitability of our projects.

Our Operational Excellence Model, inspired by the Lean philosophy, seeks to maximize the value generated for the client. Thus, we define the key success factors in all of our projects and we provide training to the corresponding teams on methodologies and good practices focused on continuous improvement.

Management system

To have good processes

- Process quality
- Simple reports

People

To have capable people

- Evaluation of capabilities
- Hands-on training

Management discipline

To guarantee that people follow these processes

- That processes are carried out
- That processes are reviewed and improved



MAIN INITIATIVES 2016

Engineering and Construction	Infrastructure	Real Estate	Services
<ul style="list-style-type: none"> - We conducted audits of over 70% of our projects, in order to measure the level of operational excellence, and we made adjustments to the control processes for the purpose of improving the predictability of our results (GyM). - We began conducting evaluations to analyze the fulfillment of roles and functions in 5 projects (GyM). - We initiated a digital transformation project for the recording of man hours worked by laborers (GyM). - We recertified our quality management system according to ISO 9001:2015 and maintained our Integrated Management System (GMI). - We implemented a productivity measurement and labor monitoring system in each projects (Morelco). 	<ul style="list-style-type: none"> - We sought to optimize our purchasing processes and redesigned reception, storage and dispatch processes (GMP). - We surpassed contractually established service levels: availability (99.95%), regularity (97.75%) and cleanliness (94.95%) Metro Lima LINE 1. 	<ul style="list-style-type: none"> - We handed over 100% of our projects before the contractually established deadline (Viva GyM). 	<ul style="list-style-type: none"> - We designed a standardized reporting system for the service companies, with standardized productivity indicators. - We consolidated tools to ensure good project startups, as well as a Production Planning Model (CAM). - We implemented operating indicators, making it possible to measure and optimize the use of resources and costs among the operations teams (CAM Perú). - We consolidated productivity indicators by line business (GMD). - We measured the levels of operational excellence of 4 projects (CONCAR).

The strategic planning process was strengthened in all of the companies in the Group according to the Execution method

OUR PERFORMANCE IN 2016

Compliance before the deadline

Indicator	GyM	GMI	GMP	Viva GyM
Percentage of projects handed over before the deadline	100%	100%	100%	100%

Compliance with service levels

Indicator	CAM Chile	CAM Colombia	CAM Peru	CONCAR	GMD
Percentage of compliance in operational management (contracts and/or services)	91%	83.3%	81%	81%	96.39%
Percentage of projects/operations evaluated according to operational excellence levels	100%	90%	54%	91%	100%

INNOVATION AT GRAÑA Y MONTERO

We consider that innovation is part of our operational excellence standards, and that it delivers value to our clients.

Along these lines, in 2016, we created Digital Transformation and Applied Technology, a corporate project whose main objective is to encourage rethinking our procedures, skills, operations and business models to build upon the changes and opportunities generated by technological and digital breakthroughs.

The project will seek to catalyze this important change endeavor, hand in hand with our business areas and companies, thus setting a joint vision, strategic alignment along and commitment with the culture of innovation at all levels of the organization.

In addition, during the reporting year, we created an Innovation Department in Viva GyM, in order to boost further innovation in our products, services and financing procedures.

In 2016, our operations were certified according to the following international standards:

International standards

Company	ISO 9001 (quality)	ISO 14001 (environmental)	OHSAS 18001 (safety)	ISO 27001 (information security)	ISO 20000	Other standards
GMI	X	X	X			
GyM⁷	X	X	X			
Morelco	X	X	X			X ⁸
VIAL Y VIVES - DSD	X	X	X			
GMP⁹	X	X	X			
Ferrovías GyM	X					
GMD	X		X	X	X	
CONCAR	X	X	X			
CAM Chile	X	X	X			X ¹⁰
CAM Colombia	X	X	X			X ¹¹
CAM Peru	X	X	X			X ¹²
Adexus	X	X	X	X	X	X ¹³

In line with ISO 27001, at GMD we work with high safety standards for safeguarding our customers', users' and workers' information. During 2016, we implemented a training plan to raise awareness in the company regarding our policies on confidentiality, integrity and the availability of information. In addition, we conducted internal and external audits, which enabled us to identify opportunities for improvement.

Along this same line, in order to protect our customers' information, we have controls in place over the software used for databases, using the Genesys tool.

⁷ ISO 9001 for Electromechanical Division and Transport's Lines of Hydrocarbons; ISO 14001 and OHSAS 18001 for Electromechanical Division.

⁸ ASME ESTAMPES U/S NATIONAL BOARD ESTAMPER.

⁹ Oil and gas production processes in lots I and V; gas processing at the Pariñas plant, storage and dispatch of hydrocarbons-derived products in Terminals and processes carried out at the head office.

¹⁰ NCh ISO 17025 Calibration Laboratory, NCh ISO 17025 Testing Laboratory and NCh ISO 17065 Product Certification Agency

¹¹ ISO/IEC 17020 Certification and ISO/IEC 17025 accreditation

¹² NTP ISO 17020

¹³ ISO/IEC 27001, ISO/IEC 20000-1, SAP Provide of Hosting Partner and SAP in Cloud Provide

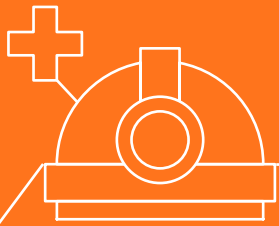


2016 PROGRESS

- We continued with the consolidation of the operational excellence areas, developing cross-cutting guidelines and standardizing roles, macro processes, the management system and indicators.
- We made improvements in warehouse and distribution center processes, which enabled us to reduce operating costs (GyM).

2017 CHALLENGES

- To increase the use of technology in providing services, in order to improve efficiency and control over the operation.
- To continue with the digitization of construction project processes, seeking greater efficiency and better results for our customers (GyM).
- To develop specific Operational Excellence Training programs for the services companies, working with the Academy.



SAFETY AND HEALTH

“ At Graña y Montero, safety is the first and foremost priority, and that is very reassuring for my family and me. We all participate in a permanent zero accidents campaign and take care of the future we are building.”

*Eyner Niquin Aguirre
Earthworks Official (STRACON GyM)*



SAFETY AND HEALTH

**IFR
0.40**

*for every
200 thousand
hours worked*

**PRIZE
“EXCELLENCE
IN SAFETY 2016”**

*for STRACON GyM,
as best mining contractor*

**10
COMPANIES
OF THE
GROUP**

*certified with
OHSAS 18001*

**+1
MILLION**

*man hours
of training
in safety¹⁴*

¹⁴ The man-hours taught on safety issues are not included in the "Personnel Development" chapter.

SAFETY AND HEALTH

Protecting the lives of all the people participating in our operations and services is a priority for Graña y Montero. For this reason, we provide safe working conditions and promote preventive culture principles in order to attain our “zero accidents” goal.

Management system

- Corporate Sustainability Policy
- Policy on risk prevention for each Risk Prevention Policy for each business line
- OHSAS 18001 Guidelines
- Corporate Commission on Safety
- Identification matrixes and risk evaluation, prevention plans and performance indicators

Preventive culture

- a. Leadership-based safety
 - Technical training
 - Aligned economic incentives
- b. Behaviour-based safety
 - Risk perception
 - Good practices in the work place





In 2016, we continue promoting the Safety based on leadership and Safety based on behavior approaches in all levels of the organizations. Under this framework, as a Group we provided over 100 thousand hours of training in risk prevention for managers and directors, 794 thousand hours of training for employees and nearly 200 thousand hours of training for subcontractors.

Additionally, to improve the leadership and commitment of our chain of command, these training sessions were complemented with periodic manager's visits to projects, the setting of annual safety goals based on the type of activity, the generation of opportunities to share lessons learned, and the monitoring of safety panels by the Board of Directors.

**794
THOUSAND
HOURS**
*of training for
collaborators and nearly*
**200
THOUSAND
HOURS**
*of training for
subcontractors.*

ROAD SAFETY

Due to the nature of our operations, road accidents are some of the main risks that we are exposed to. We have over 4,300 cars subject to our safety management system, which cover 87 million kilometers during the year, transporting people and materials.

Aware of this risk, in 2016 we signed a working partnership with MAPFRE insurance company to implement the Road Safety Audit Program in the main companies of the Group in Peru. This audit assessed the degree of implementation of our Technical Road Guide in 37 projects and identified improvement opportunities in four factors: people, vehicles, road infrastructure and corporate behaviors. The audit ended in December and the results will allow us to enhance the preventive actions plans for 2017.

MAIN INITIATIVES 2016

Engineering and construction	Infrastructure	Real State	Services
<ul style="list-style-type: none"> - The Competent Supervisor program was implemented to enhance the chain of command ability to identify dangers and apply controls (GyM). - The leadership in safety program was promoted, including 360° evaluations and proactive monthly review of indicators with the chains of command (STRACON GyM). - A new technology was introduced for monitoring and road safety control in Colombia (Morelco). - Preventive medicine programs were implemented in relation to ergonomics, solar radiation and healthy lifestyles (GMI). 	<ul style="list-style-type: none"> - Monthly safety forums continued with the participation of chains of command, and an incident report was consolidated (GMP). - Three instructors were certified in defensive management, and they trained and granted management authorizations to 266 collaborators and 99 contractors (GMP). - The Ola Verde (Green Wave) program is still ongoing to prevent concentration of users in stations and platforms. An ambulance service was enabled for users (Metro Lima LINE 1). 	<ul style="list-style-type: none"> - Management visits to work sites and security performance evaluations were consolidated as part of residents' meetings. 	<ul style="list-style-type: none"> - The OHSAS 18001 certification process was started and the Equipo de la Vida (Equipment for Life) program was implemented to reduce the number of road accidents (CONCAR). - OHSAS 18001 was recertified (GMD). - The Safety office was created. It monitors the beginning and the end of each service through voltage detectors placed in the technicians' helmets and vehicles cameras (CAM Chile). - Safety curricular structures were developed for each contract, and airbag jackets were given to 100% of motorcycle drivers (CAM Colombia). - The handbook on safety procedures and the Safety Peru Plan were implemented (CAM Peru).

OUR SAFETY RECORDS

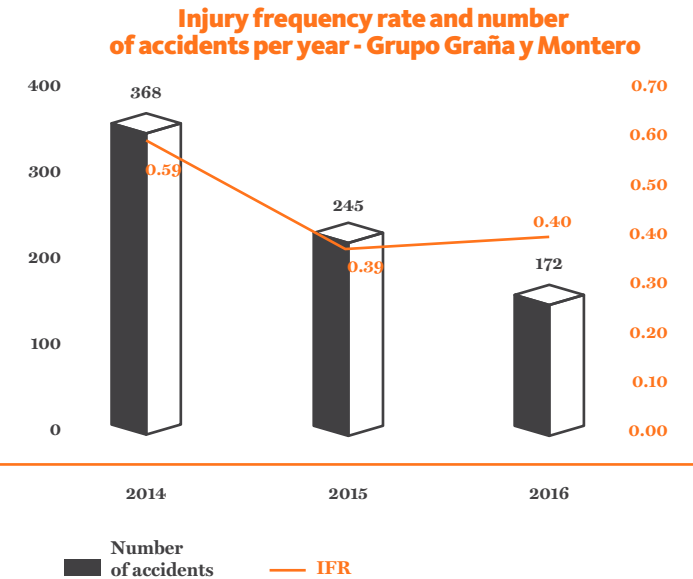
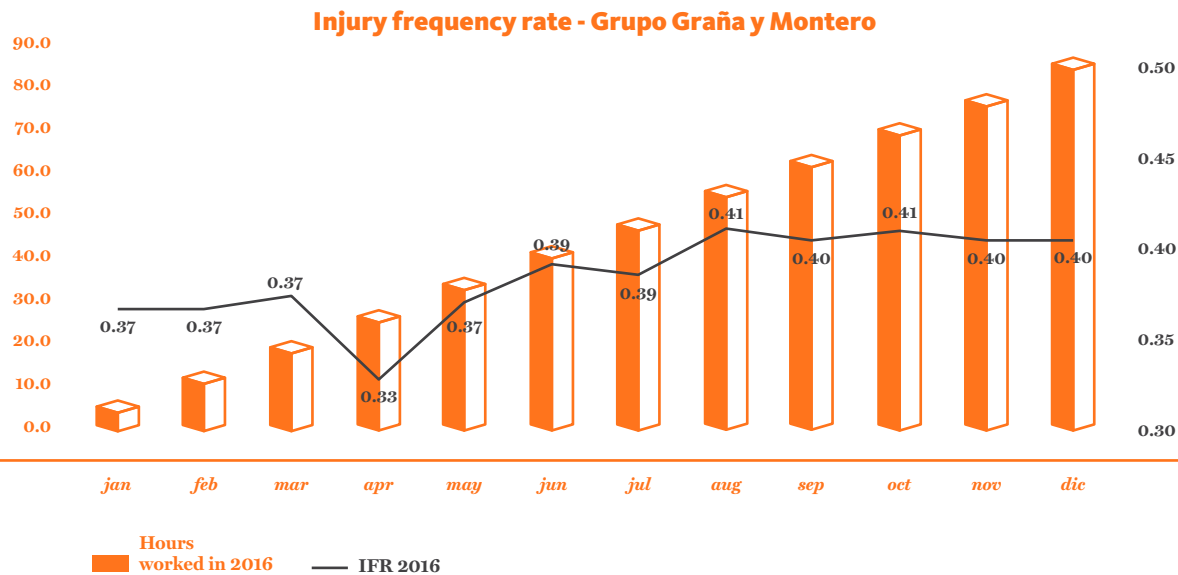
In 2016, risk prevention efforts continued, allowing us to obtain an accident rate injury frequency rate (IFR) of 0.40 for every 200,000 hours worked, thus remaining at a level similar to 2015 and confirming the positive trend of the last three years.

These outcomes are consistent with the Group's declining number of accidents, with 172 accidents at the end of 2016, a considerably lower number compared to the 368 cases in 2014. As to the degree of severity, an improvement was observed, going from a ratio of 124 to 67 non-worked days for every 200,000 hours worked.

The Engineering and Construction, and Real Estate areas had an outstanding performance. Thanks to the consistency of the managers visits to projects and follow up of safety indicators in the meetings of engineer residents, the accident rate was reduced from 0.38 to 0.34 and from 0.53 to 0.38, respectively.

Injury frequency rate per business area

BUSINESS AREA	2016	2015
Engineering and construction	0.34	0.38
Infrastructure	0.20	0.22
Real State	0.38	0.53
Services	0.52	0.45
Grupo Graña y Montero	0.40	0.39





2016 PROGRESS

- We strengthen our teams' technical skills by providing over 1 million hours of training in risk prevention.
- We kept improving our performance in safety, reducing the number of accidents in the Group and the degree of severity.
- We completed 100% of the road audit work, including the evaluation of 37 projects in Peru.

2017 CHALLENGES

- To standardize safety processes in the different Group's companies, especially in projects outside the countries and consortia.
- To implement the road safety action plan, by introducing the audit's road safety recommendations.
- To improve dissemination and learning mechanisms in the projects lessons learned.
- To provide the Risk Prevention Team with training in negotiation and leadership skills, and continue with segmented training plans for managers and workers.



ENVIRONMENT

"I am proud to work for a company that shares my concern for the environment. I believe that it makes genuine efforts to look for solutions to the environmental problems that affect us."

*Nelson Anibal Briceño Polo
Minibus driver (STRACON GyM)*



ENVIRONMENT

**67
MILLION**

*cubic meters of waste-water
treated by the La Chira
Waste Water Treatment
Plant (720 times
the volume of Lima's
National Stadium)*

**+ 26
TONS**

*of recycled electronic
and common waste
products*

**9
COMPANIES**

*of the Group with ISO
14001 certification*

*We improved the
coverage of our*

**2016
CARBON
FOOTPRINT**

ENVIRONMENT

In Graña y Montero, environmental management is conducted along three main intervention lines: (i) reduce the environmental impact of our operations and services; (ii) foster a culture of environmental responsibility, in and outside the organization; and (iii) design engineering solutions that make it possible to improve the environmental performance of our clients and society at large.

Management system

- Corporate Sustainability Policy (2016)
- Environmental Policy of each business
- ISO 14001 guidelines
- Environmental risk identification and assessment matrices and performance measurement

Environmental culture

- Graña y Montero Style
- Awareness-raising campaigns in and outside the organization

Environmental solutions

- Environmentally efficient engineering designs
- Public-private partnerships that improve the country's environmental performance
- Environmental consulting services



ENVIRONMENTAL MANAGEMENT IN OUR OPERATIONS AND SERVICES

All the Group's companies prioritize their environmental risks by analyzing the context and nature of their activities. This allows us to focus our efforts and resources on issues that will allow us to objectively reduce our environmental footprint, as well as comply with the law of the places where we operate.

ENERGY AND EMISSIONS

During 2016, the Group consumed 115.6 million kWh of electric power, mainly through the Infrastructure area (61%), related with the operation of the Metro Lima LINE 1 and the operation of the Talara Gas Plant (GMP). In addition, the Engineering and Construction area accounted for 82% of fuel consumption, related with earth-moving activities for mining operations.

This year we improved the coverage of our Carbon Footprint to include, for the first time, not only the emissions of our administrative offices but also the ones from our operation. Accordingly, we recorded of 203,859 tons of CO₂, which will allow us to develop action plans to improve our performance in coming years.



Energy consumption

Energy type	Operations and services				Adminis- trative offices ⁵	Total
	Engineering and Construction ¹	Infrastruc- ture ²	Real Estate ³	Services ⁴		
Electric power (kWh)	24,143,443	70,979,629	NA	14,839,029	5,864,181	115,826,283
Fuel (GJ)	12,628,197	133,574	NA	2,529,926	61,341	15,353,038

^{1/} Engineering and construction: includes the information about GMI, GyM, STRACON GyM and Morelco projects.

^{2/} Infrastructure: includes the information about operations of Lima Metro Line 1 and GMP (Gas Plant and Terminals)

^{3/} Real Estate: mainly has commercial and administrative activities included in "Administrative offices"

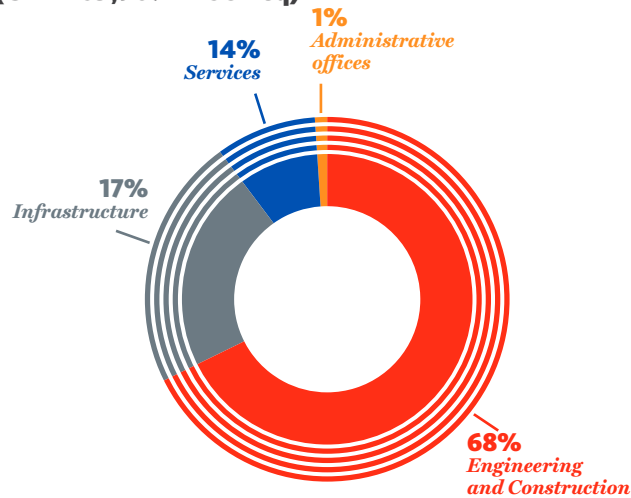
^{4/} Services: includes information about operations of Concar, GMD, CAM Perú, CAM Chile, CAM Colombia and Adexus.

^{5/} Administrative offices: Includes Surquillo, Petit Thouars, Bogotá, Nuevo Mundo and Talara.



Main initiatives 2016

Graña y Montero Group 2016 Emissions
(GEI= 203,907 Tn CO2 eq)



¹⁵ 2016 Greenhouse Effect Gases Inventory prepared by Libélula Comunicación Ambiente y Desarrollo S.A.C. The 2016 Carbon Footprint was calculated under scopes 1 and 2 and included the following companies: GyM, GMI, STRACON GyM, Morelco, GMP, Lima Metro Line 1, Viva GyM, CONCAR, GMD, Cam Peru, Cam Chile, CAM Colombia and Aderus.

- **Engineering and Construction:** We installed solar water heaters in all the Shahuindo Project camps, which saved about 30% of electric power. We also implemented a software to measure and optimize the fuel consumption of La Zanja Project, which reduced the emissions of yellow line equipment by 3% (STRACON GyM).

- **Infrastructure:** We automated the lightning and air conditioning systems in the control tower of the Villa El Salvador workshop, which saved 4.26% of electric power consumption (Lima Metro Line 1). We also developed a reforestation program under which more than 650 seedlings of native plant species were planted in Talara, which contributed to capture and reduce carbon dioxide (GMP).

- **Real Estate:** We implemented movement sensors and LED lighting in the common areas of our Villa Los Molles, Los Girasoles and Los Nogales social housing projects, as well as in the Proyecto Panorama Plaza housing and commercial building. We incorporated residential connections to the natural gas pipeline and we are working on the design of bicycle lanes that will connect the public recreation areas with the residential areas in future projects (Viva GyM).

- **Services:** We installed Dual Satellite GPS units in the personnel transport vehicles in order to improve monitoring of timetables, speed and routes, which allowed us to reduce fuel consumption (Concar). We also implemented the HuellaChile program, with which we can quantify, manage and report the company's greenhouse effect emissions to national authorities (CAM Chile).

At corporate level, we are assessing a project to replace the lighting system of the Surquillo administrative facilities with LED lighting. This will allow us to reduce our offices' electric power consumption by almost 64%.

WATER

In 2016, the Group consumed 1.6 million cubic meters of water, which represents a 50% reduction as compared to consumption in 2015. This is mainly due to the completion of the Cerro del Águila Hydroelectric Power Station Project (GyM) and to the decreased activity of the Constancia Project (STRACON GyM). At the administrative office level, we recorded a consumption of 37.9 liters per employee per day.

Main initiatives 2016

- **Engineering and Construction:** As part of our dust control processes for the access roads to mining projects, we used a mixture of water and molasses that kept the ground humid for a longer time. This saved 2.17 gallons per square meter of road (STRACON GyM).
- **Real Estate:** As part of the Eco Viva program, we implemented wetlands to use the showers' greywater for green areas irrigation in the social housing condominiums (Viva GyM).
- **Services:** We installed water-saving flush valves in the sanitary facilities of our administrative sites, conducted leakage inspections and water saving campaigns. This allowed us to reduce by 40% the water consumption by employee (CAM Colombia).



Water consumption

**2.17
GALLONS
PER M²**
saved on road
irrigation
(STRACON GyM)

Water	Operations and services				Administrative offices ⁵	Total
	Engineering and Construction ¹	Infrastructure ²	Real Estate ³	Services ⁴		
Total water volume (m³)	1,173,722.39	198,636.71	-	177,862.26	17,170.00	1,567,391.36

^{1/} Engineering and Construction: includes the information about GMI, GyM, STRACON GyM and Moreleo projects.

^{2/} Infrastructure: includes the information about operations of Lima Metro LINE 1 and GMP (Gas Plant and Terminals)

^{3/} Real Estate: mainly has commercial and administrative activities included in "Administrative offices"

^{4/} Services: includes information about operations of Concar, GMD, CAM Peru, CAM Chile, CAM Colombia and Adexus.

^{5/} Administrative offices: includes Surquillo and Petit Thouars administrative sites.

SOLID WASTE

The Group's companies foster the re-utilization and suitable management of the waste products of their operations. During the past year, the Group generated 48,827 tons of waste, approximately 13% of which were re-utilized.

Main initiatives 2016

- **Engineering and Construction:** Through ECOTEC, our environmental consulting company, we entered into an agreement to fill a non-metal quarry with construction waste. We also began the process to install the first heap in Peru with DIGESA's approval (GMI). Thanks to a collaboration agreement with RLG Perú we recycled 11.73 tons of electronic device waste (GyM).
- **Infrastructure:** We set up collection points for recyclable waste sorting at the Villa El Salvador station (Lima Metro LINE 1).

- **Real Estate:** We reused materials that were in good conditions from our model houses and sales stands (Viva GyM).

- **Services:** The regular maintenance management provided on highways included the recycling of approximately 4,177 tons of asphalt, reducing power consumption, quarry stone and the amount of waste generated (CONCAR). Additionally, we recycled 1.83 tons of electronic and electric waste within the framework of our Management Plan and RAEE Producers' Annual Declaration (GMD).

In our administrative offices, we have updated our Solid Waste Management Plan. We recorded around 80 kg of waste per employee and 14.4% was recycled, thanks to a partnership with Ciudad Saludable.

Finally, we continued being part of the Technical Committee For Standardization of Construction Waste Management, working along with the Ministry of Housing, Construction and Sanitation, CAPECO and other stakeholders to update the local technical standards for this kind of waste.



MANAGEMENT AND PREVENTION OF SPILLS

In spite of preventive efforts, unfortunately in 2016, our subsidiary company GMP registered three liquid spills in Lot III, Terminal of Ilo, that were reported to the proper authorities.

In response to these events, we incorporated mechanisms of remediation, such as the removal of contaminated material, soil analysis, and transport of and final deposit of waste in secure landfills.

In STRACON GyM, thanks to the programming of preventive inspection and the use of hosing caps during maintenance, we managed to reduce the frequency of spills by 65% compared with 2015.

ENVIRONMENTAL CULTURE

We foster a culture of environmental responsibility, not only among our workers, but also among the users, suppliers and communities with which we work.

Main initiatives in 2016

- **Engineering and Construction:** We organized awareness and training workshops for resident engineers, budgets and sales areas to improve our waste management (GyM).
- **Infrastructure:** We trained the adjoining communities to Lots III and IV so they can get involved, together with the company, in the environmental monitoring actions (GMP). Furthermore, through Lima Metro LINE 1 in partnership with Villa El Salvador Municipality, we have planted 3,600m² of new green areas surrounding the metro duct.
- **Real Estate:** We organized workshops about environmental care meant for children from the building condominiums of Los Girasoles, Los Nogales and Parques de San Martín de Porres.
- **Services:** We raised the awareness of our collaborators regarding the reduction in paper consumption and hazardous waste such as toner and printer ink (Adexus).

Additionally, at corporate level we re-launched the Ecopuntaje (Ecoscore) campaign that evaluates proper waste sorting and aims to activate worker's environmental awareness of environmental responsibility. Thanks to this campaign, we managed to recycle 14.44 tons of paper and plastic waste, comparable to saving 220 ten-year old trees.



ENVIRONMENTAL SOLUTIONS

We are aware that the services we provide must reduce the climate change risks and its consequences. For this reason, we have developed solutions, projects and technologies that will generate environmental benefits for our clients and for society at large.

Main initiatives 2016

- **Engineering and Construction:** We provided technical support for the installation of Security Landfill in Ica and developed the Environmental Impact Assessment. Furthermore, we have been working on the engineering, procurement and construction of two waste-water treatment plants in the agribusiness and mining industries (GMI).
- **Infrastructure:** We were granted the viability to perform the feasibility studies of the Lake Titicaca Waste Water Treatment System Project, with a capacity to handle the liquid effluents of ten cities in Puno, which will benefit 870,000 people.
- **Real Estate:** We developed office buildings according to LEED17 standards, including the Panorama Plaza project that earned the LEED Gold certificate, and Rivera Navarrete that achieved the LEED Silver (Viva GyM).
- **Services:** We provide specialized services to reduce power waste. Within the year, we performed the energy balance in over 20,000 power supplies. We installed 10,650 hubs and identified energy losses, which resulted in cost savings for our customers of 10.7 million kWh (CAM Peru).

WASTE WATER TREATMENT PLANT – LA CHIRA

In 2016, the La Chira project entered in operation, treating 25% of the city of Lima's waste water, which -until recently- had been disposed directly into the ocean. This project has required an approximate investment of S/.360 million and treats 11.3 m3 of water per second that comes from 18 city districts (2.6 million inhabitants).

In April of 2016, we completed the construction phase, where we succeeded in installing of one of the longest marine outfalls in Latin America, with a length of 3.6 kilometers and a weight of 6,100 Tn.

Currently the plant is already in operation and generates a very positive environmental impact. Monitoring stations meet with the contractually-established environmental quality standards, and we have prevented the disposal of 7 thousand Tn of waste into the ocean.

The La Chira Waste Water Treatment Plant allows us to recover beaches and marine flora and fauna, enable tourist activities, reduce the risk of illness and improve the standard of living of the population.

¹⁶ LEED Standards: Scoring system used by the Green Building Council of the United States to ensure the sustainability of new and existing buildings with respect to water and energy savings and use of resources, among others.



2016 PROGRESS

- We entered into an agreement that enables the enclosure of a non-metallic quarry with construction waste, and we initiated the process of installing the first construction waste landfill in Peru authorized by DIGESA.
- We expanded the carbon footprint coverage of our projects, which will allow us to develop efficient energy plans.
- We participated in updating the Technical Norms of Construction and Demolition Waste Management.
- We re-launched Ecopuntaje, an initiative that evaluates the proper sorting of recyclables in our offices.

2017 CHALLENGES

- To automate the report process of environmental information, reinforcing the use of technology.
- To initiate a study to explore and increase the reuse of construction waste.
- To measure and quantify the environmental benefits of Eco Viva.
- To consolidate an environmental culture among our collaborators.



COMMUNICATION AND DIALOGUE

*"Constantly we listen to our users to understand their needs.
We want them to place their trust in us and to know that we are
always prepared to offer an appropriate and prompt response."*

*Admer Galindo Pichihua
Station Supervisor in Los Cabitos (Metro Lima LINE 1)*



COMMUNICATION AND DIALOGUE

**40,000 +
MONTHLY
VISITS**
to the website and
**90,000
FOLLOWERS**
on Facebook

**7 OF THE
MAIN COMPANIES
OF THE GROUP**
*obtained a customer satisfaction
level over 80%.*

**2ND BEST
COMPANY**
*in Investor Relations
(ALAS20).*

COMMUNICATION AND DIALOGUE

We construct positive relationships with our different stakeholders based on dialogue and trust. Both before beginning a new business and on a regular periodic basis, we identify the main actors and their perceptions, implementing communication channels that allow us to take into account their doubts and concerns and to increase their involvement with our Group.

Stakeholders of
Graña y Montero (G4-24)



Employees

Investors

Suppliers

**Strategic
Partners**

Clients

State

Communities

**Communication
Media**

Environment

HOW DO WE DIALOGUE WITH OUR STAKEHOLDERS?

Stakeholder (G4-26)	Relationship mechanisms		Relationship frequency
Employees	<ul style="list-style-type: none"> - Open door policy that puts employees and teams closer to the chain of command - Mass media: bulletins, in-house magazines, intranet and websites 	<ul style="list-style-type: none"> - Interactive media: Facebook, LinkedIn - Knowledge Portal - Leadership surveys, feedbacks and Great Place to Work survey 	Daily
Investors	<ul style="list-style-type: none"> - Shareholder Service Office - Quarterly open phone calls and meetings with investors and analysts - Integrated Annual Report 	<ul style="list-style-type: none"> - Quarterly management reports - Publication of important features and press releases - Corporate website 	Variable
Suppliers	<ul style="list-style-type: none"> - Supplier's Portal (SISPROV System) - Direct and permanent relationship 	<ul style="list-style-type: none"> - Dialogue meetings 	Variable
Strategic partners	<ul style="list-style-type: none"> - Business meetings - Corporate Website 	<ul style="list-style-type: none"> - Integrated Annual Report 	Daily
Client	<p>Corporate Client (B2B)</p> <ul style="list-style-type: none"> - Client - partner workshop - Satisfaction surveys and interviews - Company Magazines - Integrated Annual Report - Website of each company 	<p>Client User (B2C)</p> <ul style="list-style-type: none"> - Customer service office (Viva GyM and Lima Metro LINE 1) - Complaints book and suggestion box - Call center and call-free service - Social networks: Facebook (Grupo Graña y Montero, Viva GyM, Lima Metro LINE 1) and Twitter of Lima Metro LINE 1 - Website of each company - Monthly Bulletin (Viva GyM) 	Variable
State	<ul style="list-style-type: none"> - Satisfaction survey - Integrated Annual Report 	<ul style="list-style-type: none"> - Institutional Relations Management - Participation in trade shows and events 	Variable
Community	<ul style="list-style-type: none"> - Community relation specialist - Queries and complaints systems - Social situation analysis and report 	<ul style="list-style-type: none"> - Academic environment: conferences, exhibitions, forums, guilds - PI Engineering Portal - Social networks: Facebook and Twitter of LINEA 1 Lima's Metro. 	Daily
Media	<ul style="list-style-type: none"> - Liaison meetings - Informative breakfasts 	<ul style="list-style-type: none"> - Interviews on strategic issues - Press releases 	Variable

**OUR RELATIONSHIP
WITH CUSTOMERS**

In 2016, we defined clear guidelines, processes, roles and responsibilities to manage -in a transparent manner- the relationships between the Group's executives and the State's senior officials. These guidelines are consistent with our Ethics Charter, Code of Conduct and Anti-Corruption Policy.

Throughout the year we consistently seek to strengthen our opportunities for dialogue with our corporate customers. CAM Chile stands out for organizing the first Customer-Partner workshop, while Adexus implemented face-to-face satisfaction surveys with its ten most important customers, thus completing the information from customer satisfaction surveys carried out by the Help Desk.

Regarding our users, Metro Lima LINE 1 continued to implement the Ola Verde (Green Wave) program to properly manage the surplus demand on the system. Presently, the metro delivers 9 million trips per month (demand expected for year 2035), thus generating major challenges in safety, clients' experience, order and coexistence.

In view of this situation, Metro Lima LINE 1 determined maximum capacity quotas for each station, controlled through traffic lights located in the outer areas. This has enabled us to control the risk of accidents, improve the order of access to the stations, save clients' time and increase their satisfaction, reaching 87.8%.

**100% OF
COMPLAINTS
TAKEN CARE OF**
*within the established
time frame.*
(Lima Metro LINE 1)

In addition to the different mechanisms of dialogue that we implement with our stakeholders, to generate trust we need to have an adequate management of complaints and claims. Therefore, our subsidiaries have specific procedures based on their business, which allows them to receive, analyze and respond opportunely to each case. This issue is particularly important for companies that have relations with end customers, such as Viva GyM and Metro Lima LINE 1, which reported success rates of handling complaints within the expected deadline of 71% and 100%, respectively.

Satisfaction surveys 2016

Company	Score obtained
Engineering and construction	
GMI	87%
Morelco	98.56%
Infrastructure	
Metro Lima LINE 1	87.8%
Real estate	
Viva G y M	68%
Services	
Adexus	84%
CAM Chile	84%
CAM Colombia	80%
CAM Peru	77%
CONCAR	79%
GMD	90.1%

BRAND STRATEGY

We have a brand strategy that seeks to reinforce Graña y Montero's positive positioning and maintain our reputation. In 2016, we focused on positioning four main attributes of the Group: Seriousness, Internationalization, Infrastructure and Sustainability. These issues were developed in different communication materials and released through external communication channels, such as Facebook, company website, brochures, strategic events, among others.

We also distributed the Communication in Crisis Manual, which aims to raise awareness among employees in identifying risks related to the company's image, as well as defining their roles when facing a potential crisis.

Finally, with a preventive approach, we continue to monitor the media and digital platforms, which allows us to be constantly informed of what is being said about our brand.





2016 PROGRESS

- We developed guidelines to liaise with the Government.
- We implemented client-partner workshops at an international level.
- We disseminated and trained key areas of the Group on the Communication in Crisis Manual.

2017 CHALLENGES

- To consolidate registration and follow-up of customer complaints.
- To implement a communication strategy to recover our reputation among public.



SHARING WELL-BEING

"I'm grateful to be a member of this team and I feel motivated to continue to grow and to believe in myself. Being part of the "Gestión en la Construcción" (Management in Construction) program has opened many doors for me and I believe that it is a great opportunity for young people who, like myself, pursue a career in engineering and construction."

*Mirian Otayza Sigueñas
Technical Office Assistant (GyM)*



SHARE WELL-BEING

**184,000+
MAN-
HOURS**

*in training clients,
suppliers and
communities ¹⁷*

¹⁷ Does not include training on occupational health and safety.

**250
ACTIVE
VOLUNTEERS**

**US\$
90
MILLION+**
*in local
purchases*

4TH EDITION

*of Construction Management
Training Program with*

**100% OF ITS
GRADUATES**

currently working at Graña y Montero

WITH OUR CLIENTS

We interact with millions of clients through the various companies in the Group, either by delivering public services or selling housing projects. In this way we develop skills that promote the appropriate use of infrastructure and responsible citizen behavior.



AYNI PROGRAM

Viva GyM promotes a respectful coexistence among the new homeowners of its housing projects. The Ayni Program trains and advises residents about legal and administrative issues, budget planning, conflict resolution and leadership, among other topics, that enable them to enjoy a better life quality in these new urban communities.

As part of this initiative, in 2016 we implemented activities that promote environmental awareness and respect, addressed to children of social housing projects. Supplementing these efforts, we launched the fourth edition of the Ayni contest to reward the best practices related to the use of public spaces in residential housing complexes.



During 2016:

- 100% of social housing projects implemented the Ayni Program
- 80% of the homeowners participated in at least one workshop
- 1,466 families received training
- 86% of the community members feel that Ayni has improved their living conditions

CULTURA METRO PROGRAM

The Cultura Metro Program turns the stations and trains of Metro Lima LINE 1 into spaces of citizenship education, where we promote proper behavior based on respect and tolerance. The Lima y sus Patas (Lima and its Friends) initiative was designed in 2016 as part of this program, looking for the reinforcement of positive behavior in the daily use of the metro by using cartoon characters and children's stories.

Additionally, since 2013, we have implemented the Arte Vecinal (Neighborhood Art) initiative to promote weekly cultural activities in the busiest metro stations. As a result, we contributed to revitalize artistic exhibitions (performing arts, dance, music and visual art) produced by local groups that live in the metro's area of influence, and we reasserted ourselves as a public service that goes beyond rendering transportation services. As of 2014, the Ministry of Culture has endorsed this activity, giving the participating groups more opportunities for public exposure and recognition.



During 2016:

- 91% of the users considered that LINE 1 Metro de Lima promotes citizenship.
- 2,500 copies of the "Lima y sus Patas" training program were issued.
- 80+ artistic and cultural performances.
- 77% of the shows were performed by local groups living in the area of influence

TOGETHER FOR THE CITY

Metro Lima LINE 1's goal is to recover public spaces surrounding the viaduct, areas that are neglected and in unsanitary conditions. We aim to transform Lima into a safe and clean city of which we can all be proud.

Eight interventions were conducted in 2016, among which the recovery of the surroundings of the Gamarra Station stands out. Not long ago this area had been used as a garbage dump and today it boasts green areas, pedestrian facilities and artistic murals. To accomplish this we worked in partnership with local authorities, private entities and different resident organizations in the area.



During 2016:

- 5553 m² of recovered public spaces.
- 45,035 residents benefited by the program.

ROAD AND TRAFFIC SAFETY EDUCATION PROGRAM

Concar, the Group's company that operates and maintains highways and seeks to convey its prevention-based safety culture to all of the users and communities adjacent to its roads. In 2016, several workshops and educational campaigns were conducted by Norvial, Survial, Canchaque, Pasco and Chinchaypujio projects, led by our own staff.



During 2016:

- 69 workshops were conducted
- 4,420 beneficiaries of the Road and Traffic Safety Education Program
- 4,000+ man-hours in safety training





2016 PROGRESS

- Despite the surplus demand in the system, we improved the overall satisfaction of the metro users from 82.5% to 87.8% (Metro Lima LINE 1).
- 86% of the local residents consider that Programa Ayni has helped to improve their social harmony (VIVA GyM).
- We provided over 4000 man-hours training of road and traffic safety education (CONCAR).

2017 CHALLENGES

- To maintain the metro users' satisfaction level and safety levels during infrastructure expansion (Metro Lima LINE 1).
- To promote a wider dissemination of the Ayni Program benefits (Viva GyM).
- To remodel the Road and Traffic Safety Education Program to involve transport companies (CONCAR).

WITH OUR SUPPLIERS

We promote responsible performance among our suppliers consistent with the guidelines defined in our Code of Business Ethics and Anti-Corruption Policy. This allows us to grow together, ensuring the standard of excellence required by our operations and contributing to raise the bar of the industry standards.



BUYING FROM SUPPLIERS

We worked with over 13,000 suppliers in 2016, whose payment represented 59.2% of the Group's income. We implemented specific procedures to assess them before entering them in our database records. This enables us to ensure that the minimum standards regarding legal, financial, tax and work-related issues are duly met. Furthermore, we included an anti-corruption clause in all of our contracts and purchase orders.

We are very aware of the impact and economic drive that our activities generate. It is for this reason that we seek to promote decentralized local purchases, encouraging growth in areas that lie near our operations. In 2016, the main companies of the Group invested over US\$90 million in local purchases.

Decentralized and local purchases

Indicators	Engineering and Construction				Infrastructure	Services	
	GyM	STRACON GyM	GMI	Morelco	GMP	CONCAR	CAM Peru
Number of suppliers	3,300	1,334	807	3,574	602	1,933	819
Percentage of decentralized purchases ¹	13%	31%	19%	39%	57%	36%	12%
PERCENTAGE OF LOCAL PURCHASES ²	3%	25%	NA	39%	41%	36%	NA

¹ Purchases from suppliers with National Register of Taxpayers (RUC) issued in a province.

² Purchases from suppliers whose tax address coincide with the project's location (regional level).

8 DECENT WORK AND ECONOMIC GROWTH



Development with local suppliers

Capacity development and formalization of our local suppliers are both very important to ensure quality in the goods and services we offer. Main initiatives in 2016:

- **GMP:** In partnership with Centro de Apoyo a la Microempresa (Micro-enterprise Support Center) of the Universidad de Piura, we implemented a program geared towards developing the capabilities of the local community companies that work with us.

- **CONCAR:** Our first Supplier Meeting took place to promote the company's performance standards and clear any doubt related to our homologation processes, contracts and safety standards. Banks, audit entities and internal areas of the organization participated as speakers at the meeting.



SUPPLIER EVALUATION AND HOMOLOGATION PROCESS

The Group's companies have different types of homologation programs, which enable them to identify and evaluate their key suppliers with more detail in the following aspects: legal, financial, commercial, quality, safety, environment, and community respect performance.

This allows us to reduce risks and count on reliable suppliers, which not only insures the supply of quality goods and services, but also guarantees their responsible and sustainable performance.

Main initiatives 2016

- We certified 48 suppliers, after assessing their financial statements, management systems, and the quality of the services they offer to other clients both in Peru and abroad. This qualification procedure enabled us to define a list of Preferred Suppliers, as well as to hold regular quality control meetings to provide our feedback on their performance (GMP).
- We approved 20 strategic suppliers via an external audit entity and we trained 30 suppliers in our invoicing processes, corporate policies, risk prevention and environmental management (CONCAR).

- Services: We implemented a thorough evaluation and qualification process for our key suppliers, carried out by an independent company, thus accomplishing certification for 29 suppliers, 79% of which obtained an optimum rating and received feedback about their results. The business category "business continuity strategy" was included within the issues reviewed, in order to promote awareness of future prospects and risk management (GMD).

- Services: We audited 51 suppliers by reviewing their labor background and pension payments, in order to ensure their compliance with employee-related regulations. In addition, we carried out more than 9,600 man-hours of training on our hiring policies and compliance standards (CAM Chile).



2016 PROGRESS

- We standardized our Oracle supplier creation and registering system, as well as purchase orders and contracts (GyM).
- We boosted our supplier monitoring system, which we will begin to implement in a centralized way in 2017 (GyM).
- We integrated all the Logistic teams of the Engineering and Construction department in Peru, in order to boost synergy and create better negotiation conditions.
- We updated our key and active suppliers database (GMD).

2017 CHALLENGES

- To implement the reformulated supplier homologation program (GyM, GMI and STRACON GyM).
- To apply centralized monitoring, including several different performance assessments (GyM, GMI and STRACON GyM).
- To align the different homologation programs, in order to generate synergy between the Corporate Group's companies. (Corporate level).
- To incorporate random audits to suppliers and third party intermediaries (Corporate level).

WITH OUR COMMUNITIES

We strive to go beyond our businesses in order to generate well-being for our society. We focus on developing capabilities and skills that favor the creation of new jobs and fostering responsible citizen behavior. This approach allows us to build positive relationships within the community and to better manage risk for our business.



DEVELOPING SKILLS FOR JOB PLACEMENT PROGRAM (GYM)

Since 2006, we have trained our projects' neighboring communities on basic construction techniques, risk prevention and leadership in order to improve their employability and foster their job placement in the construction sector.

During the eleven years that the program has been in operation (2006-2016), we have trained more than 22,600 people, providing more than a million man-hours of training. In 2016, thanks to this program, 45% of the participants began to work for GyM, and 100% of the unskilled labor (helper or hand categories) came from the local community.



During 2016:

- 77,568 man-hours of teaching.
- 84 workshops that benefited 1,616 people.
- 45% of participants began to work for GyM.

CONSTRUCTION MANAGEMENT EDUCATION PROGRAM

At the technical education level, the Group discovered a great opportunity to share its engineering knowledge and foster the employability of young people in construction projects. Together with Fe y Alegría, we designed and implemented the Construction Management Education Program, which offers a 2-year course of study with internships in Graña y Montero, and allows alumni to obtain a technical degree endorsed by the Ministry of Education.



During 2016:

- The program benefited 145 students, of whom 19 graduated during the year.
- 100% of alumni began to work for Graña y Montero.
- 73,758 man-hours of training imparted throughout the year.

ESCUELA DE PAZ PROGRAM

We implemented the Escuela de Paz Program through the Morelco Foundation. This program fosters the strengthening of skills in children and in young people from areas of Colombia that are affected by violence. The program has two main courses of action: the Music School and the Drama School, both of which focus on building values and developing empathy, self-knowledge, tolerance and respect for others.



During 2016:

- 192 workshops given to more than 178 children and young people.
- 17,088 man-hours of teaching.



GRAÑA Y MONTERO CORPORATE VOLUNTEERING PROGRAM

The Corporate volunteerism Program strives to foster leadership and social action within the Group's workers. It brings together enthusiastic workers who are committed to the dream of a better future and who want to leave a "positive footprint" on their environment by volunteering their time and knowledge to improve the community.

The Corporate Volunteering projects focus on three main courses of action:

- **Environment:** We pursue living in environmentally-friendly cities, with citizens that give priority to protecting their natural resources and developing Eco-efficient lifestyles.
- **Safety:** We pursue living in safer cities that foster and respect regulations.
- **Social Inclusion:** We want all people to be able to take full advantage of their environment's opportunities for growth by developing knowledge, skills and attitudes and through the appropriate use of public spaces.

In order to generate experiences that are more challenging for our volunteers and to obtain high-impact results that benefit the communities, in 2016 we launched the first edition of "Ideas que Trascienden" (Ideas that Transcend), a contest that promotes innovative social projects.

Twenty-five teams of volunteers from the Group's various companies participated in this contest, receiving technical consultancy from the Volunteer Work Association. Awards were given to the four best projects; the audience chose one of them and an external jury selected the others. The winners were awarded 8,000 soles each to implement their projects in the first semester of 2017.



During 2016:

- 225 active volunteers
- 1500+ beneficiaries
- US\$ 37,000+ invested in the volunteering program
- First Edition of "Ideas que Trascienden", innovative social projects competition.

For the Group, the concept of community includes not only its projects' areas of direct influence, but also other collectives such as the Engineering, Academic and Scientific communities. Together we strive to foster research and innovation in the engineering field.

FOSTERING SHARED INNOVATION PROGRAM

We strive to motivate young engineers to research, to be connected, to access knowledge and to create value. This program includes:

- **Estructura tus IDEAS:** A competition of scientific papers for undergraduate Engineering and Architecture students. In the third edition, 65 participants were enrolled in the competition, 12 of which received nominations.

- **Graña y Montero Applied Engineering Award:** Acknowledges the value of research and rewards talent and dedication in engineering professionals. In 2016, the sixth edition incorporated the Engineering Innovation category and focused on the water, energy, hydrocarbons, infrastructure, mining, housing and transportation sectors, all of which are of special interest to the Group. In 2017, the Environment category will be included. Since this award was established, 270 research papers have been submitted.

- **Engineering Portal (PI):** A web platform created to interchange knowledge among the members of the engineering community. This platform was re-launched in 2016 and currently has more than 184,000 followers on social networks.

- **Student volunteering – PI Agents:** A platform that promotes the participation of university students in knowledge-spreading activities, allowing them to convey the value of research within their communities. In 2016, 43 volunteers participated.

The social initiatives undertaken by the Group implied an investment of US\$ 866,310 and promoted a complementary investment of US\$167,000 on behalf of our strategic allies.

Social investment

Initiative type	Number of direct beneficiaries	Training in man-hours	Investment in US\$	%
Related training	13,680	154,400	210,468	24%
Non-related training	10,444	18,538	124,222	14%
1. TRAINING	24,124	172,938	334,690	39%
Social investment	94,224	3,584	256,586	30%
Environmental investment	10,802	5,096	54,282	6%
Economic investment	40	2,696	10,061	1%
Venture philanthropy	23,450	80	210,691	24%
2. OTHER COMPANY ACTIVITIES	128,515	11,456	531,619	61%
TOTAL ACTIVITIES (1+2)	152,639	184,394	866,310	100%





2016 PROGRESS

- We enhanced our coverage of the Construction Management Education Program, which welcomed its fourth class of students.
- We strengthened our Corporate volunteering to focus on environment, safety and social inclusion.
- We reached our 11th year implementing the Capacity Building for Work Insertion program, which has provided more than one million accumulated man-hours in training.
- We restructured the sixth edition of the Graña y Montero Award, which included the “innovation in engineering” category.

2017 CHALLENGES

- To develop programs under the Works by Tax modality.
- To continue evaluation of the development and technical skills flagship program.

IMPORTANT RECOGNITIONS AND AWARDS RECEIVED BY THE GRAÑA Y MONTERO GROUP IN 2016

1. One of the **Most Admired Companies** in Peru, for the fifth year in a row according to PwC and G de Gestión magazine.
2. For ninth year in a row, we received the **Lima Stock Exchange's Good Corporate Governance Index**.
3. For second year in a row, we were given an Alas 20 Company **recognition for having the highest cumulative** score in 2016, awarded by the Lideres Sustentables 2020 Agenda.
4. For second year in a row, we won the category of **Leading Company in Corporate Governance – Peru**, awarded by the Lideres Sustentables 2020 Agenda, for achieving the highest score in corporate governance in 2016.
5. **Socially Responsible Company (ESR) Badge given to GYM** on behalf of Asociación Peru 2021.
6. We placed 7th in the ranking of the **100 Peruvian companies with the best reputation**, according to a study conducted by Merco international consulting firm, with the support of KPMG.
7. Placed 5th in the ranking of the **Best Companies to Attract and Retain Talent in Peru**, according to the Merco reputation monitor.
8. Ranked the **third** most attractive company to work for in Peru, and first in the Construction and Real Estate Sector, according to Laborum's **Employer Branding 2016** study.
9. **Education Allies** recognition from the Ministry of Education of Peru.

IMPORTANT AWARDS WON BY COMPANIES IN THE GROUP IN 2016

1. STRACON GyM received the *Excellence in Safety 2016*, award from Mapfre, for being the best mining outsourcing services company.
2. VIVA GyM was placed sixth in the companies with less than 250 workers category, in the *Best Companies to work* for ranking, by Great Place to Work Peru.
3. GMP was placed seventh in the companies with 251-1000 workers category in the *Best Companies to work* for ranking, by Great Place to Work Peru.
4. GMD placed fourteenth in the companies with more than 1000 workers category, in the *Best Companies to work for* ranking, by Great Place to Work Peru.
5. STRACON GyM placed seventeenth in the companies with more than 1000 workers category in the *Best Companies to work for* ranking, by Great Place to Work Peru.
6. For second year in a row, Viva GyM was recognized as *One of the Best Companies to Work for in Latin America*, in the ranking by Great Place to Work.
7. The building of the Universidad de Ingeniería y Tecnología (UTECH) designed by Grafton Architects and built by GyM was recognized as the best building in the world by the Royal Institute of British Architects.

AWARDS AND RECOGNITIONS RECEIVED BY OUR BOARD IN 2016

1. The Chairman of our Board, Jose Graña received the *III Premio Enrique V. Iglesias* for his contribution to the development of an Iberoamerican business community.
2. The Chairman of our Board, Jose Graña was awarded second place in the *Best Director of a Leading Company in Sustainability -2016 category*, granted by the Lideres Sustentables 2020, Agenda.
3. Our general manager, Mario Alvarado was the runner up in the *Best General Manager Leader in Sustainability - 2016* category, awarded by the Lideres Sustentables 2020 Agenda.

WHY WE DO IT

WE BUILD A BETTER FUTURE.
THROUGH OUR WORK WE
SEEK TO LEAVE A LEGACY
TO SOCIETY – 80 YEARS OF
ACCOMPLISHMENTS THAT
MAKE US FEEL PROUD AND
HAVE ALLOW TO TRANSCEND
BEYOND THE COMPANY.

GRAÑA Y MONTERO S.A.A.

SPECIAL REPORT ON PREVIOUSLY AGREED UPON PROCEDURES APPLIED TO THE SCHEDULE OF WORKS PROJECTS AND SERVICES PERFORMED, COMPLETED AND DELIVERED DURING THE YEAR ENDED DECEMBER 31, 2016

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EXHIBIT B -	GMD S.A.: SCHEDULE OF SERVICES PERFORMED, COMPLETED AND DELIVERED DURING THE YEAR ENDED DECEMBER 31, 2016.
EXHIBIT C -	GMI S.A. INGENIEROS CONSULTORES: SCHEDULE OF PROJECTS PERFORMED, COMPLETED AND DELIVERED DURING THE YEAR ENDED DECEMBER 31, 2016.
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S/. = PERUVIAN SOL

US\$ = UNITED STATES DOLLAR

GRAÑA Y MONTERO S.A.A.

SPECIAL REPORT ON PREVIOUSLY AGREED UPON PROCEDURES APPLIED TO THE SCHEDULE OF WORKS

PROJECTS AND SERVICES PERFORMED, COMPLETED AND DELIVERED DURING THE YEAR ENDED DECEMBER 31, 2016



Mr. Luis Díaz Olivero
General Manager
Graña y Montero S.A.A.
Av. Paseo de la República N°4667
Surquillo
Lima

March 21, 2017

Dear sir:

I SCOPE

As per your request, we have applied the previously agreed-upon procedures which are detailed in Section II regarding the following schedules. The results of these procedures will be included in the annual report of Graña y Montero Group.


- GyM S.A. (hereinafter GyM): Schedule of work performed, completed and delivered during the year ended December 31, 2016, included in Exhibit A.
- GMD S.A. (hereinafter GMD): Schedule of services performed, completed and delivered during the year ended December 31, 2016, included in Exhibit B.
- GMI S.A. Ingenieros Consultores (hereinafter GMI): Schedule of projects performed, completed and delivered during the year ended December 31 2016, included in Exhibit C.
- Viva GyM S.A. (hereinafter Viva GyM): Schedule of projects performed, completed and delivered during the year ended December 31 2016, included in Exhibit D.

Our engagement was undertaken in accordance with International Standard on Related Services (ISRS) 4400 applicable to agreed-upon procedure engagements. Therefore, the procedures performed do not constitute an audit or a review. Under this standard we will report on any findings identified during the application of the procedures enumerated below in Section II, which does not constitute an audit opinion on the reasonability of the financial statements, or of the internal control effective at GyM, GMD, GMI, GMP and/or Viva GyM for the year ended December 31, 2016.

Had we been requested to perform additional procedures, other matters might have come to our attention that would have been reported to you. In this sense, our responsibility is to issue a report which is solely related to the findings that arose from the application of the procedures described in Section II. We should note that our engagement does not guarantee the detection of errors, fraud or any other illegal acts, if they exist.

Gaveglio Aparicio y Asociados Sociedad Civil de Responsabilidad Limitada.
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March 21, 2017
Mr. Luis Díaz Olivero
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Management of each GyM, GMD, GMI, GMP and Viva GyM are responsible for the preparation of the schedules of works, projects and services performed, completed and delivered during the year ended December 31, 2016 as well as the sufficiency of the procedures described in Section II. Our responsibility is to issue a report containing the findings arising from the application of the procedures detailed in the section below.

It should be noted that the procedures did not include verifying compliance with other contractual terms, commitments or conditions assumed by GyM, GMD, GMI, GMP and Viva GyM related to the works, projects and services included in Exhibits A, B, C, D and E.

This report is solely for the use and information of the Management of Graña y Montero S.A.A. and it should not be used in any contractual discrepancies and it should not extend to any financial statements of GyM, GMD, GMI, GMP y/o Viva GyM, taken as a whole.

II PROCEDURES PERFORMED

The following procedures were performed:

Exhibits A, B and C -

1. We compared the dates from the column "contractual delivery date" of Exhibits A, B and C, prepared by Management, with the agreements and/or subsequent addendums related to each work, project or service.
2. We compared the dates from the column "date of delivery to customer" from Exhibits A, B and C, with the acceptance record supporting each work, project or service.
3. We compared the dates from the columns "contractual delivery date" and "date of delivery to customer" and observed if, according to the dates included in these columns, the works, projects or services were delivered before or on the agreed date. We prepared a summary containing the results of this procedure.
4. Considering the amount involved in the performance bonds issued, which are included in the column "performance bonds" in Exhibits A, B and C, we observed the documentation that supported the decision to make these bonds void.

Exhibit D -


1. We compared the dates from columns "Date of delivery to Customer" and "Delivery due date" of Exhibit D, prepared by Viva GyM Management, against the following information and/or documents, if appropriate.

Purchase-sales agreements state a date of delivery to customer and also a delivery due date dependent on the customer's compliance with settling the price of the property, by paying the last direct installment of financing or draw-down of the mortgage loan by the financial institution and that customer has already signed the purchase public deeds, if a mortgage loan was requested.

GRAÑA Y MONTERO S.A.A.

SPECIAL REPORT ON PREVIOUSLY AGREED UPON PROCEDURES APPLIED TO THE SCHEDULE OF WORKS

PROJECTS AND SERVICES PERFORMED, COMPLETED AND DELIVERED DURING THE YEAR ENDED DECEMBER 31, 2016



March 21, 2017
Mr. Luis Díaz Olivero
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Evidence of delivery shall be any of the following alternatives:


Public interest housing –

- a) If the foregoing conditions are met within the agreement delivery due date:
 - Evidence shall be the respective delivery supporting documentation, duly signed by the owner and indicating the specific date stated in the agreement.
 - An acknowledgment of receipt of the notary-public letter sent to the legal address of customer (specified in the agreement), stating the delivery of the asset at a date stated in the agreement or addendum to date or delivery.
- b) If the foregoing conditions are met within the extended period of time as per the addendum to the original agreement:
 - Evidence shall be the respective delivery supporting documentation, duly signed by the owner with a delivery date signed by the customer indicating the specific date stated in the agreement.
- c) If the foregoing conditions are met by the customer beyond the delivery due date of the agreement:
 - Evidence shall be the respective delivery supporting documentation, duly signed by the owner with a date within the additional period of time stated in the agreement, once the pre-requirement condition of settlement of price is met.
 - An acknowledgment of receipt of the notary-public letter sent to the legal address of customer (specified in the agreement), stating the delivery of the asset at a date within the additional period of time stated in the agreement or addendum to date or delivery, once the pre-requirement condition of settlement of price is met.
 - Letters or emails received from customer stating the personal reasons or other reasons beyond control of Viva GyM S.A., for which customer will not be able to attend at the scheduled date and is requesting a new date. In this case, the respective documentation supporting compliance should state the new date agreed with customer.

Traditional housing –

Evidence supporting delivery can be any of the followings:

- Documentation supporting delivery of property at the contractual date.
- If the real estate property was ready for delivery on or before the contractual date and customer served notice, email or any other written communication to Viva GyM S.A. stating that for reasons attributable to the customer, the unit will not be received on that date and also stating the new delivery date requested; in that case, both documents that may support the actual delivery would state the new date of delivery requested by customer and evidence of compliance with contractual date would be the above-mentioned written communication



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(regardless of whether a formal addendum is signed or not to the original purchase-sale agreement).

- Email or any other written communication addressed to Viva GyM S.A. stating that the properties are completed and at disposal, in the event, the customer does not make no response regarding a coordination of delivery date within a reasonable period of time, property will be deemed to be delivered; in these cases, the communication announcing that offices were ready will constitute the relevant delivery supporting documentation.
- 2. We compared the dates from columns "Delivery due date" and "Date of delivery to customer" and determined whether, based on the dates included in these columns, the Project was delivered before or on the delivery due date. We prepared a summary containing the results of this procedure.

III REPORT

Based on the results obtained from applying the procedures described in Section II, regarding schedules of works, projects and services performed, completed and delivered during the year ended December 31, 2016, our comments are detailed below.

Exhibits A, B and C -

1. Dates in column "Contractual delivery date" of Exhibits A, B and C match the agreements and/or corresponding addendums to each work, project or service.
2. Dates in column "Date of delivery to customer" of Exhibits A, B and C, match the delivery supporting documentation of each work, project or service.
3. According to the dates included in columns "Contractual delivery date" and "Date of delivery to customer", we noted that work, projects or services detailed in Exhibits A, B and C were delivered before or on the contractual date.

A summary was prepared, which is included in Exhibit E – Summary per Company regarding works, projects or services performed, completed and delivered during the year ended December 31, 2016.

4. Performance bonds issued for the amount indicated in column "Performance bonds" in Exhibits A, B and C have been made void, with the exception of item No. 3 of Exhibit A and item No. 12 of Exhibit C, which are still in force.

Exhibit D -

1. Dates from column "Delivery due date" and "Date of delivery to customer" of Exhibit D match the related documents, depending on the type of housing.
2. According to the dates included in columns "Delivery due date" and "Date of delivery to customer", projects described in Exhibit D were delivered on the delivery due date or before.

GRAÑA Y MONTERO S.A.A.

SPECIAL REPORT ON PREVIOUSLY AGREED UPON PROCEDURES APPLIED TO THE SCHEDULE OF WORKS PROJECTS AND SERVICES PERFORMED, COMPLETED AND DELIVERED DURING THE YEAR ENDED DECEMBER 31, 2016

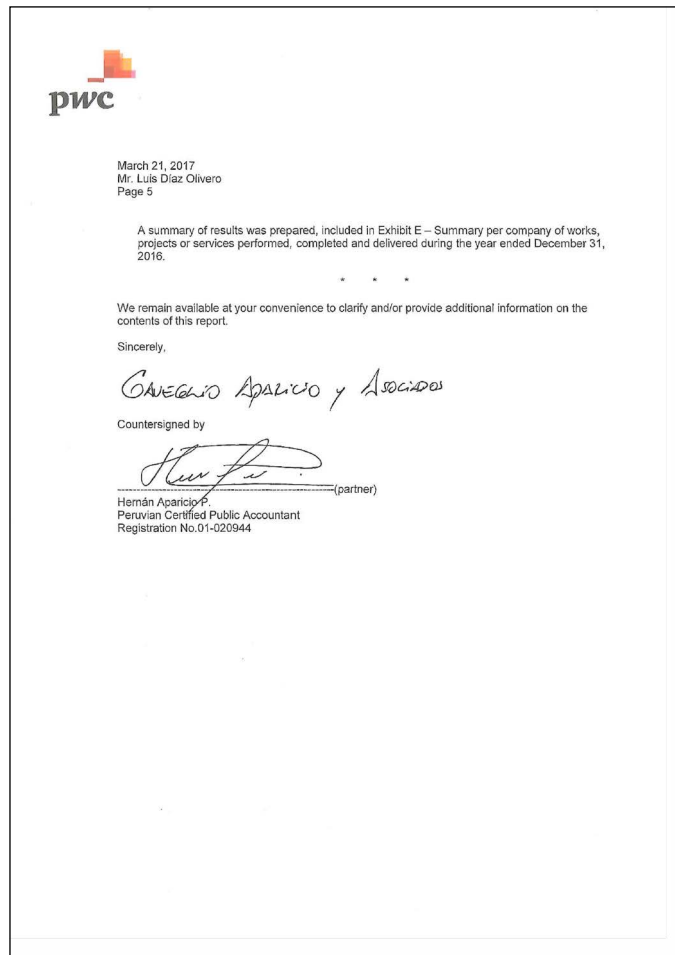


EXHIBIT A

GYM S.A.

SCHEDULE OF WORKS PERFORMED, COMPLETED AND DELIVERED FOR THE YEAR ENDED DECEMBER 31, 2016

No.	Project	Customer	Project description	Contractual delivery date	Date of delivery to customer	Performance Bonds	
						US\$	S/
1	1833 - Magia - Local de asistencia social	Asociación de Voluntarias por los Niños con Cáncer - Magia	The social assistance establishment for children with cancer, Magic, aims to provide temporary accommodation to children without resources, especially those coming from the interior of the country and whose treatment will be given at INEI and have nowhere to stay.	August 19, 2016	July 11, 2016	-	-
2	1834 - Habitación Urbana El Nuevo Rancho	Viva GyM S.A.	"El Nuevo Rancho" project is a condominium of 116 apartments of different types. It has two levels of parking with a capacity for 420 vehicles.	December 30, 2016	December 8, 2016	-	-
3	1846 - Edificio Commons - Colegio Roosevelt	Instituto Educativo Franklin Roosevelt	The project consists of a high school building and has an area of 4,419mt ² .	November 2, 2016	September 28, 2016	564,630	-

To be read together with the report issued by Gaveglío, Aparicio y Asociados on March 21, 2016.

**EXHIBIT B
GMD S.A.**

SCHEDULE OF WORKS PERFORMED, COMPLETED AND DELIVERED FOR THE YEAR ENDED DECEMBER 31, 2016

No.	Project	Customer	Project description	Contractual delivery date	Date of delivery to customer	Performance Bonds	
						US\$	S/
1	PROY__BPO - CONSORCIO TERMINALES - PRECINTADO	CONSORCIO TERMINALES	Inspection services, quantity control and quality of products loaded in the tanker truck and sealing of hatch valves of tanker truck in various terminals.	November 30, 2016	November 30, 2016	20,000	-
2	PROY__BPO - RECOSAC - ATENCION TERMINALES	REPSOL COMERCIAL S.A.C.	Administrative and operational service of billing and dispatch terminals.	November 30, 2016	November 30, 2016	-	526,256
3	PROY__HD - PACIFICO	PACIFICO VIDA COMPAÑÍA DE SEGUROS Y REASEGUROS S.A.	Service based on service levels (SLA), which includes the implementation of a single point of contact to receive, service and channel customer service requests.	January 31, 2016	January 31, 2016	-	-
4	PROY__HD-BARRICK-MDA N2 Y N3	MINERA BARRICK MISQUICHILCA S.A.	Systems support service in mine facilities.	July 31, 2016	July 31, 2016	99,268	-
5	PROY__HD-DUKE-MDA N1 Y N2	DUKE ENERGY EGENOR S. EN C. POR A.	Support and maintenance service (Help Desk) of DUKE ENERGY and/or AGUAYTIA ENERGY computer systems located in different cities.	July 31, 2016	January 31, 2016	-	-
6	PROY__AO-GYM-SWF	GYM S.A.	Factory software service to maintain corporate systems and develop new solutions based on information technologies.	November 14, 2016	September 30, 2016	-	-
7	PROY__HD - VIAL Y VIVES - MDA N1	VIAL Y VIVES - SDS S.A.	"Help Desk" service to the users of VIAL and VIVES SDS, through a Help Desk.	December 31, 2017	February 28, 2016	-	-
8	PROY__STE-OSCE-DISCOS SAN LN310090	ORGANISMO SUPERVISOR DE LAS CONTRATACIONES DEL ESTADO - OSCE	Four effective 8TB Magnetic disk arrays for OSCE Storage Systems (HP EVA P6350).	January 31, 2016	January 31, 2016	-	80,340

**EXHIBIT B
GMD S.A.**

SCHEDULE OF WORKS PERFORMED, COMPLETED AND DELIVERED FOR THE YEAR ENDED DECEMBER 31, 2016

No.	Project	Customer	Project description	Contractual delivery date	Date of delivery to customer	Performance Bonds	
						US\$	S/
9	PROY__STE-OSCE-UPGRADE V7000 LN310090	ORGANISMO SUPERVISOR DE LAS CONTRATACIONES DEL ESTADO - OSCE	Acquisition of storage disks for the OSCE technological platform, according to the Technical Specifications of the Public tender No. 001-2015-OSCE.	January 31, 2016	January 31, 2016	-	276,000
10	PROY__STE-OSCE-CORES Y VM LN310090	ORGANISMO SUPERVISOR DE LAS CONTRATACIONES DEL ESTADO - OSCE	Acquisition of cores from the OSCE's technological platform, according to the Technical Specifications of tender No. 002-2015-OSCE.	January 31, 2016	January 31, 2016	-	251,700
11	PROY__STE-OEFA-VMWARE LN310090	ORGANISMO DE EVALUACIÓN Y FISCALIZACIÓN AMBIENTAL - OEFA	Updating subscription and technical support of VMWARE virtualization software, according to the terms of reference of Public Tender No. 015-2015-OEFA / CE.	April 26, 2016	April 26, 2016	-	374,652
12	PROY__ISO-GMP-OUT	CONSORCIO TERMINALES	Windows server hosting service, Cisco ASA5520 firewall hosting and Cisco Catalyst 3750 Switch and Cisco 1841 and Fortigate 110C router housing.	May 31, 2016	May 31, 2016	-	-

To be read together with the report issued by Gaveglío, Aparicio y Asociados on March 21, 2016.

EXHIBIT C

GMI S.A. INGENIEROS Y CONSULTORES

SCHEDULE OF WORKS PERFORMED, COMPLETED AND DELIVERED FOR THE YEAR ENDED DECEMBER 31, 2016

No.	Project	Customer	Project description	Contractual delivery date	Date of delivery to customer	Performance Bonds	
						US\$	S/
1	Proyecto Sistema de recepción almacenamiento y embarco de minerales y amarradero "F" en bahía Islay	CONSORCIO SUPERVISION MATARANI (TISUR)	Supervision of engineering and Phase II supervision of construction and equipment of work.	October 15, 2016	October 15, 2016	-	1,090,638
2	Proyecto Racaycocha	MINERA PEÑÓLES DEL PERU S.A.	Elaboration of the basic engineering study for the Racaycocha Project infrastructure.	February 29, 2016	February 29, 2016	31,000	-
3	Proyecto Génesis: Servicio de actualización del plan monitoreo arqueológico para la rehabilitación urbana.	ETNA S.A.	Update service of the Archaeological Monitoring Plan for urban rehabilitation ETNA - Chilca.	December 16, 2016	December 1, 2016	-	-
4	Proyecto Génesis: Monitoreo Complementario Calidad de Aire para la nueva planta de Fabricación de Acumuladores Etna - Chilca	ETNA S.A.	Development of the environmental monitoring of air quality at two points located within the project's influenza area.	January 4, 2017	December 21, 2016	-	-
5	Proyecto Génesis: Estudio de balance de agua para la nueva planta Chilca.	ETNA S.A.	Elaboration of water balance for the New Plant for the Manufacture of Accumulators ETNA - Chilca.	December 31, 2016	December 31, 2016	-	-
6	Informe técnico sustentatorio para Ampliación Capacidad de la Planta de Fabricación de sacos plegues de papel.	FORSAC	"- Preparing a technical report supporting the Extension of capacity of the bag-manufacturing plant - (sheet of paper).				
7	- Monitoring of the environmental quality of the bag-manufacturing plant multi-sheet paper - Los Olivos.	MELIA	Supervisión y control de las obras en diversas especialidades hasta la puesta en marcha de las instalaciones.	3/31/16	3/31/16	-	-

EXHIBIT C

GMI S.A. INGENIEROS Y CONSULTORES

SCHEDULE OF WORKS PERFORMED, COMPLETED AND DELIVERED FOR THE YEAR ENDED DECEMBER 31, 2016

No.	Project	Customer	Project description	Contractual delivery date	Date of delivery to customer	Performance Bonds	
						US\$	S/
8	Estudio Definitivo de Ingeniería de las Obras Complementarias del segundo grupo de la Red Vial 05 Panamericana Norte.	NORVIAL S.A.	Elaboration of Final Engineering Study (Technical File) of the Complementary Works of the second group of the Red Vial 05 Panamericana Norte. Ancón-Huacho section.	March 23, 2016	March 23, 2016	-	-
9	Estudio de Pre-inversión para el puente y acceso a Chuquibamba.	SHAHUINDO S.A.C.	Improvement of the departmental highway route CA-111 section emp.pe-3n (DV Santa Elena) - DV-Colcas -Chuquibamba, province of Cajabamba, region of Cajamarca.	July 25, 2016	July 25, 2016	-	-
10	Mejoramiento del diseño geométrico de las curvas del Sector 3.1 Nasca - Pucquio.	SURVIAL S.A.	Elaboration of the reinvestment studies at activity level of the project "Improvement of the geometric design of the curves of sector 3.1, Nasca - Pucquio.	November 15, 2016	November 15, 2016	-	-
11	Modificación de alcantarillas: Líneas Submarinas de Refinería Conchán a Terminal Portuario.	PETROPERU	Consultancy for the modification of sewer of submarine lines of refinery Conchán to Port Terminal.	May 22, 2016	May 22, 2016	-	-
12	Consultoría para la supervisión del comisionamiento y puesta en marcha de tres tanques de 120 MB en feinería Talara.	PETROPERU	Supervision of manufacture works, assembly and interconnection of 3 tanks of 120 MB each for storage of Biodiesel B-100 and Turbo A-1, Talara Refinery.	April 15, 2016	April 14, 2016	-	49,767
13	Desarrollo de Estudios de Ingeniería de las Facilidades Superficie Lote X.	CNPC PERU S.A.	Development of engineering studies of the surface facilities in block X with No. 14-027-PX-B	May 4, 2016	May 4, 2016	5,461	-

To be read together with the report issued by Gaveglío, Aparicio y Asociados on March 21, 2016.

EXHIBIT D

VIVA GYM S.A.

SCHEDULE OF WORKS PERFORMED, COMPLETED AND DELIVERED FOR THE YEAR ENDED DECEMBER 31, 2016

No.	Project	Customer	Project description	Contractual delivery date	Date of delivery to customer	Performance Bonds	
						US\$	S/
1	Empresa: 3000 - Almonte	JORGE LUIS VILLAVICENCIO GUTIEREZ	Property located in the district of Lurín, with an area of 50,000 m2	February 2, 2016	February 2, 2016	-	-
2	PROYECTO: 0011 - Los Parques de Comas I	SUPERMERCADOS PERUANOS S.A	Lote futuro, Land Manzana D	December 23, 2016	December 22, 2016	-	-
3	PROYECTO: 0011 - Los Parques de Comas I	COLEGIOS PERUANOS S.A	Lote futuro, Land Manzana D	December 23, 2016	December 22, 2016	-	-
4	PROYECTO: 0011 - Los Parques de Comas I	VALLE VERAMENDI MILAGROS	Residencial Los Nogales, Building 02, Apartment N °: 103, Parking N ° 171.	October 31, 2016	October 20, 2016	-	-
5	PROYECTO: 0011 - Los Parques de Comas I	SANCHEZ GUILLEN LADY KATHERINE	Residencial Los Nogales, Building 03, Apartment N °: 401, Parking N ° 67	May 27, 2016	May 11, 2016	-	-
6	PROYECTO: 0011 - Los Parques de Comas I	CHAVEZ ANICETO ERNAN EDWIN	Residencial Los Nogales, Building 02, Apartment N °: 103, Parking N ° 171.	March 1, 2016	March 1, 2016	-	-
7	PROYECTO: 0011 - Los Parques de Comas I	BCJ CONSTRUCTORES S.A.C	Residencial Los Nogales, Building 02, Apartment N °: 703, Parking N ° 173	December 22, 2016	November 15, 2016	-	-
8	PROYECTO: 0011 - Los Parques de Comas I	JUAN CARLOS ESPINOZA CRUZ	Residencial Los Nogales, Building 03, Apartment N °: 1008	April 13, 2016	April 2, 2016	-	-
9	PROYECTO: 0011 - Los Parques de Comas I	SANTOS ALCANTARA GUSTAVO DANIEL	Residencial Los Nogales, Building 03, Apartment N °: 903	February 3, 2016	January 26 2016	-	-
10	PROYECTO: 0015 - LOS PARQUES DE SAN MARTIN	CORDOVA ROMERO EUSEBIO	Building A, Apartment N °: 105, Parking N ° 1	September 30, 2016	September 13, 2016	-	-
11	PROYECTO: 0015 - LOS PARQUES DE SAN MARTIN	NUREÑA MENDOZA ROBERTO RODOLFO	Building N, Apartment Nr .: 203.	September 30, 2016	August 10, 2016	-	-
12	PROYECTO: 0015 - LOS PARQUES DE SAN MARTIN	SEGURA MILLA YESENIA PATRICIA	Building M, Apartment Nr .: 202.	February 15, 2016	January 30, 2016	-	-
13	PROYECTO: 0015 - LOS PARQUES DE SAN MARTIN	PINEDO LONG LUCAS KERRY	Building O, Apartment Nr: 301	October 30, 2016	October 21, 2016	-	-

EXHIBIT D

VIVA GYM S.A.

SCHEDULE OF WORKS PERFORMED, COMPLETED AND DELIVERED FOR THE YEAR ENDED DECEMBER 31, 2016

No.	Project	Customer	Project description	Contractual delivery date	Date of delivery to customer	Performance Bonds	
						US\$	S/
14	PROYECTO: 0015 - LOS PARQUES DE SAN MARTIN	ESPINOZA SUAREZ GILMER	Building N, Apartment N °: 505, Parking N ° 151	April 30, 2016	April 9, 2016	-	-
15	PROYECTO: 0015 - LOS PARQUES DE SAN MARTIN	POMA VASQUEZ MABEL ROXANA	Building N, Apartment N °: 601	November 29, 2016	November 20, 2016	-	-
16	PROYECTO: 0015 - LOS PARQUES DE SAN MARTIN	PINO PINO DE GONZALES ROXANA VERONICA	Building M, Apartment N °: 401	September 30, 2016	July 27, 2016	-	-
17	PROYECTO: 0015 - LOS PARQUES DE SAN MARTIN	ESTEBAN GONZALES YOSSELIN PRISSYLA	Building N, Apartment N °: 1001, Parking lot 148	May 30, 2016	May 2, 2016	-	-
18	PROYECTO: 0015 - LOS PARQUES DE SAN MARTIN	ORE VILLAVICENCIO JUANA ROSA	Building O, Apartment Nr: 1001	July 30, 2016	June 18, 2016	-	-
19	PROYECTO: 0015 - LOS PARQUES DE SAN MARTIN	ÑAUPARI PINEDA VICTOR RAUL	Building B, Apartment Nr: 806	April 29, 2016	April 15, 2016	-	-
20	PROYECTO: 0015 - LOS PARQUES DE SAN MARTIN	QUIÑONES JUSTO ELMER CEFERINO	Building M, Apartment N °: 901, Parking N ° 87	March 23, 2016	March 2, 2016	-	-
21	PROYECTO: 0015 - LOS PARQUES DE SAN MARTIN	ORBEGOSO URQUIZO ANGIE ANDREA	Building O, Apartment Nr: 1101	September 13, 2016	September 2, 2016	-	-
22	PROYECTO: 0015 - LOS PARQUES DE SAN MARTIN	HUANCA PORRAS SOLEDAD	Building D, Apartment N °: 1104	June 23, 2016	June 8, 2016	-	-
23	PROYECTO: 0015 - LOS PARQUES DE SAN MARTIN	MENDEZ CARLOS MAXIMO FABIO	Building M, Apartment N °: 903,	February 18, 2016	February 4, 2016	-	-
24	PROYECTO: 0021 VES II	IZARRA PEREYRA MARCOS	Building D, Apartment N °: 103, Parking N ° 28	November 20, 2016	October 18, 2016	-	-
25	PROYECTO: 0021 VES II	APAZA ROJAS ELIDA	Building D, Apartment Nr.: 102	September 6, 2016	September 6, 2016	-	-
26	PROYECTO: 0021 VES II	UÑAPILLCO CHAMPI VLADIMIR	"Building E, Apartment N °: 102"	July 15, 2016	June 15, 2016	-	-

EXHIBIT D

VIVA GYM S.A.

SCHEDULE OF WORKS PERFORMED, COMPLETED AND DELIVERED FOR THE YEAR ENDED DECEMBER 31, 2016

No.	Project	Customer	Project description	Contractual delivery date	Date of delivery to customer	Performance Bonds	
						US\$	S/
27	PROYECTO: 0021 VES II	PEÑA VARGAS FREDDY	Building C, Apartment N °: 202, Parking N ° 23	December 31, 2016	July 22, 2016	-	-
28	PROYECTO: 0021 VES II	SANCHEZ CARITAS GERARDO	Building F, Apartment N °: 101, Parking N ° 87	June 22, 2016	June 22, 2016	-	-
29	PROYECTO: 0021 VES II	RODRIGUEZ CONDORI CECILIA ERIKA	Building D, Apartment N °: 103, Parking N ° 83	April 26, 2016	April 26, 2016	-	-
30	PROYECTO: 0021 VES II	SOSA MENDOZA ANGEL FELIPE	Building D, Apartment Nr: 101	January 27, 2016	January 27, 2016	-	-
31	PROYECTO: 0021 VES II	LUNA TORRES ANGEL ANTONIO	Building G, Apartment N °: 202, Parking N ° 72	April 6, 2016	April 23, 2016	-	-
32	PROYECTO: 0021 VES II	LLANCARE QUISPE YENNY YESICA	Building E, Apartment Nr: 202	May 26, 2016	May 19, 2016	-	-
33	PROYECTO: 0021 VES II	ROJAS PACHAS YESSICA YULIANA	Building G, Apartment N °: 401	March 22, 2016	March 8, 2016	-	-
34	PROYECTO: 0024 LPDC II	DERRAMA DEL PODER JUDICIAL	Building 12, Apartment N °: 503.	July 31, 2016	June 27, 2016	-	-
35	Proyecto: 0028 Los Parques de Villa el Salvador 3	SUPERMERCADOS PERUANOS S.A.	Land, Manzana K-1 Lote 8, zona Coop de Colonización Las Vertientes de la Tablada de Lurín Tlda 224, District of Villa el Salvador.	July 14, 2016	June 30, 2016	-	-
36	PROYECTO: 0034 - LPD PIURA II	MEDINA ZAGAZETA STEVE WILFREDO	Building 0A, Apartment N °: 101, Parking N ° 21.	December 7, 2016	November 17, 2016	-	-
37	PROYECTO: 0034 - LPD PIURA II	ERAZO ERAZO FRANCISCO	Building 0A, Apartment N °: 104, Parking N ° 4.	August 31, 2016	August 29, 2016	-	-
38	PROYECTO: 0036 LPDC II	GUZMAN BOHORQUEZ RENZO	Building N ° 01, Apartment N ° 1003.	December 31, 2016	December 14, 2016	-	-
39	PROYECTO: 0036 LPDC II	CISNEROS CABRERA SOLEDAD	Building N ° 05, Apartment N ° 103.	December 31, 2016	November 24, 2016	-	-

**EXHIBIT D
VIVA GYM S.A.**

SCHEDULE OF WORKS PERFORMED, COMPLETED AND DELIVERED FOR THE YEAR ENDED DECEMBER 31, 2016

No.	Project	Customer	Project description	Contractual delivery date	Date of delivery to customer	Performance Bonds	
						US\$	S/
40	PROYECTO: 0036 LPDC II	MALLQUI AGUILAR LUIS JAVIER	Building No. 06, Apartment N ° 101, Parking N °: 42.	October 31, 2016	September 22, 2016	-	-
41	PROYECTO: 0036 LPDC II	MATOS ROMERO VICTOR HUMBERTO	Building No. 04, Apartment N ° 305.	July 31, 2016	July 12, 2016	-	-
42	PROYECTO: 0036 LPDC II	GUERRA MACEDO DAMARIS ELIZABETH	Building No. 04, Apartment N ° 307	July 31, 2016	June 6, 2016	-	-
43	PROYECTO: 0036 LPDC II	SAGUMA RUIZ MARYURI MAYINI	Building N ° 03, Apartment N ° 404	May 26, 2016	May 4, 2016	-	-
44	PROYECTO: 0036 LPDC II	PORTOCARRERO GRANDEZ YOWER	Building N ° 04, Apartment N ° 805	September 13, 2016	August 23, 2016	-	-
45	PROYECTO: 0036 LPDC II	CASIQUE RENGIFO KATTY	Building N ° 03, Apartment N ° 602.	February 11, 2016	February 2, 2016	-	-
46	PROYECTO: 0036 LPDC II	BENAVENTE OJEDA MIGUEL ANGEL	Building 02, Apartment N°: 1302	February 11, 2016	February 10, 2016	-	-
47	PROYECTO: 0037 EL RANCHO	FERNANDEZ CRISTINI DE VALLEJOS ORIETTA LUCIA	Apartment N ° Q-202, double parking N ° 14-B3 and Deposit N ° 12-B3.	December 31, 2016	December 30, 2016	-	-
48	PROYECTO: 0037 EL RANCHO	FERNANDEZ CRISTINI DE VALLEJOS ORIETTA LUCIA	Apartment, 1 Double parking.Storage 1.	December 31, 2016	December 30, 2016	-	-
49	PROYECTO: 0037 EL RANCHO	INMOBILIARIA JSA SAC	Apartment, Double parking, Storage 1.	December 31, 2016	December 31, 2016	-	-
50	PROYECTO: 0037 EL RANCHO	EQUIPO PETROLERO DEL PERU SAC	Apartment, Parking 44 - B6 (DOUBLE), Parking 54 - B6 (DOUBLE), Storage 28 -B6, Storage CL-04-B6.	December 31, 2016	December 22, 2016	-	-

EXHIBIT D

VIVA GYM S.A.

SCHEDULE OF WORKS PERFORMED, COMPLETED AND DELIVERED FOR THE YEAR ENDED DECEMBER 31, 2016

No.	Project	Customer	Project description	Contractual delivery date	Date of delivery to customer	Performance Bonds	
						US\$	S/
51	PROYECTO: 0037 EL RANCHO	AKKERMANS . JOHANNES FRANCISCUS	Apartment H-202, second floor, Parking 42 - B5 (DOUBLE), Parking 35 - B5 (DOUBLE).	December 31, 2016	December 28, 2016	-	-
52	PROYECTO: 0037 EL RANCHO	BARRON RAMOS PLATA JAVIER EDUARDO	Apartment Q202, second floor, Parking 15 - B3 (DOUBLE), Parking 12 - B3 (DOUBLE).	December 31, 2016	December 29, 2016	-	-
53	PROYECTO: 0037 EL RANCHO	PONCE SECADA JOSE ALONSO	Apartment W102, first floor, Parking 16 - B6 (DOUBLE).	December 31, 2016	December 22, 2016	-	-
54	PROYECTO: 0037 EL RANCHO	CORNEJO RAMIREZ ENRIQUE JAVIER	Apartment C101, first floor, Parking 22 - B6 (DOUBLE), Parking 5 - B6 (DOUBLE), Storage 5 - B6.	December 31, 2016	December 29, 2016	-	-
55	PROYECTO: 0037 EL RANCHO	DAMMERT PALACIOS ALVARO	Apartment O102, first floor, Parking 30 - B3 (DOUBLE), Parking 02 - B4 (DOUBLE), Deposit 18 - B3.	December 31, 2016	December 21, 2016	-	-

To be read together with the report issued by Gaveglío, Aparicio y Asociados on March 21, 2016.

**EXHIBIT E
GRAÑA Y MONTERO S.A.A**

SUMMARY OF WORKS, PROJECTS AND SERVICES PERFORMED, COMPLETED AND DELIVERED, BY COMPANY FOR THE YEAR ENDED DECEMBER 31, 2016

CONCEPT	GyM S.A.	GMD S.A.	GMI S.A.	Viva GyM S.A.	TOTAL	%
On the contractual date or before	3	12	13	55	83	100%
After contractual date	0	0	0	0	0	0%
TOTAL	3	12	13	55	83	100%

To be read together with the report issued by Gaveglione, Aparicio y Asociados on March 21, 2016.

REPORT ON COMPLIANCE WITH THE GOOD CORPORATE GOVERNANCE CODE FOR PERUVIAN COMPANIES

NAME:

Graña y Montero S.A.A

FISCAL YEAR:

2016

WEB PAGE:

www.granaymontero.com.pe

METHODOLOGY:

Companies with securities listed on the Public Register of the Securities Market (Registro Público del Mercado de Valores) are required to disclose to the public their good corporate governance practices. In this connection, such companies report their adherence contained in the Good Corporate Governance Code for Peruvian Companies.

The information to be submitted refers to the fiscal year ended on December 31 of the calendar year previous to the year of submission, whereby any reference to “the fiscal year” must be understood as made to the aforementioned period, and is submitted as an annex to the Annual Report of the Company in the electronic forms provided by the Securities Market Superintendence to facilitate submission of the information in this report through Yesstema MVnet.

Section A includes the letter of introduction of the Company, setting out the major corporate governance advancements made in the period.

Section B presents the level of compliance of the principles that make up the Code. For such purpose, the Report is structured in accordance with the five pillars of the Code:

- I. Rights of Shareholders;
- II. Regular Shareholders Meeting;
- III. Board of Directors and Senior Management ;
- IV. Risk and Compliance; and,
- V. Information Transparency.

Each principle is evaluated based on the following parameters:

a) **“Comply or Explain” Evaluation:** compliance by the Company is marked with an “x”, based on the following criteria:

Yes : Total compliance with the principle.

No : Non-compliance with the principle.

Explanation : In this field, if the Company checked option “No”, it should explain the reasons why it did not adopt the principle or the actions conducted that allow it to consider that progress is made towards compliance or partial adoption thereof, as applicable. Also, if deemed necessary, if the option “Yes” was checked, the Company may provide information on compliance with this principle.

b) **Supporting Information:** provides information allowing further knowledge on how the Company has implemented the principle.

Section C provides a list of documents of the Company that regulate the policies, procedures and other relevant matters that bear a relationship with the principles under evaluation.

Section D includes additional information not developed in the previous sections or other relevant information that the Company freely decides to mention so the investors and the various stakeholders may gain further knowledge of the good corporate governance practices that it has implemented.

² The Good Corporate Governance Code for Peruvian Companies (2013) is available for reference at Orientación – Gobierno Corporativo del Portal del Mercado de Valores www.smv.gov.pe. (Guidance Section – Corporate Governance of the Securities Market Portal www.smv.gov.pe).

³ The term “Senior Management” includes the general manager and other managers.

SECTION A:

LETTER OF INTRODUCTION⁴

Graña y Montero S.A.A. is a regional reference in Good Corporate Governance. During the 2016, the annual meeting took place in San Paulo, Brazil, and the results of the research "Latin American Companies Circle Recommendations on Ethics and Compliance" were presented, based on the experiences of the companies that are part of the Circle. In addition, as part of this working table, a closed session was held for the first time between Presidents of the Board of Directors or Independent Directors of the member companies, in which the Chairman of the Colombian Stock Exchange of Bogotá, Juan Pablo Córdova, presented the current situation and capital market opportunities in the region. Grupo Graña y Montero was represented in this session by its Independent Director, Pedro Pablo Errázuriz.

Within this line, during 2016 we received two important awards: For the second consecutive year, the award to the Leading Enterprise in Corporate Governance, awarded by the institution Agenda Lideres Sustentables 2020 (ALAS 2020) as a recognition of the best company in Peru committed with the public disclosure of information on sustainable development practices, corporate governance and investor relations; and, for the ninth consecutive year, we are part of the Good Corporate Governance Index of the Lima Stock Exchange.

Similarly, in 2016, our Board of Directors approved the incorporation of improvements to our Regulations of our Board of Directors in order to align ourselves with the best practices of the market in corporate governance matters, specifically incorporating the option that the Board decide to carry out its self-assessment or appoint third parties in order to do so, another improvement was the valuation criterion to be used for transactions between the company and its subsidiaries and the Human Resources and Human Resources Committee was renamed to the Human Resources and Sustainability Committee by aligning it with the Sustainability Policy that was approved in the Directory, in January 2016.

Finally, in March we carried out the self-evaluation process of the Board of Directors, which generated a monthly report on the relevant facts of the Group companies, which is sent month by month to the Directors as an improvement in our transparency and communication.

⁴ Describes the main actions implemented during the fiscal year in terms of good corporate governance practices that the Company deems relevant to highlight in line with the five pillars of the Good Corporate Governance Code for Peruvian Companies (2013): Rights of the Shareholders, Shareholders Regular Meeting, Board of Directors and Senior Management, Risk and Compliance and Information Transparency.

SECTION B:

EVALUATION OF COMPLIANCE WITH THE PRINCIPLES OF THE GOOD CORPORATE GOVERNANCE CODE FOR PERUVIAN COMPANIES

PILLAR I:
RIGHTS OF SHAREHOLDERS

Principle 1: Equitable Treatment

Question I.1

	Yes	No	Explanation:
Does the Company recognize in its conduct of business an equitable treatment of shareholders of the same class and that they are afforded the same conditions?(*)	X		Article 6 of the Regulations of the Regular Shareholders Meeting provides that the relationship of the Company with its shareholders is to be consistent with the principles of equitable treatment between shareholders, transparency and the provision of broad and continued information so they can accurately know the Company's situation in order to exercise their rights in a reasonable and informed manner.

(*): The same conditions is to be understood as the particularities that distinguish the shareholders, or make them have a common characteristic, in their relationship with the Company (institutional investors, non-controlling investors, etc.). It should be noted that this shall not imply in any case that the use of privileged information is favored.

Question I.2

	Yes	No	Explanation:
Does the Company promote the existence of classes of shares with voting rights only?	X		Article 8 of the By-Laws provides that the Company shall have a single class of shares and all of them shall carry the same rights and obligations.

a. In connection with the equity of the Company, specify:

Subscribed capital as of closing of the fiscal year	Paid-in capital as of closing of the fiscal year	Total number of shares representing the capital stock	Number of shares of voting stock
S/. 660'053,790.00	S/. 660'053,790.00	660'053,790	660'053,790

b. If the Company has more than one class of shares, specify:

Rights(*)	Number of shares	Par value	Rights(*)
Not Applicable			

(*) The specific rights of the class that distinguish it from the others shall be indicated in this field.

Question I.3

	Yes	No	Explanation:
If the Company has investment shares, does the Company promote a policy of redemption or voluntary swap of investment shares for common shares?			Not Applicable

Principle 2: Interest of Shareholders

Question I.4

	Yes	No	Explanation:
a. Does the Company provide in its corporate documents the form of representation of the shares and who is in charge of entry thereof in the share ledger?	X		<p>The Company's By-Laws and the Regulations of the Regular Shareholders Meeting provide that representation by proxy is allowed if it is communicated to the Company at least 24 hours prior to the Meeting by a non-certified letter (a certified letter is not required). The Company provides this representation free of charge. The only restriction is that if the proxy letter is for a Director or Executive Officer, this will seek to indicate expressly the sense that will vote the representative; in the case they do not provide precise instructions on the Agenda, the Director may not exercise the right to vote when it is prohibited by law or is in a situation of conflict of interest, as noted by articles 14 of the Regulations of the Board of Directors and for the articles 14.5 and 28 of the Regulations of the Regular Shareholders Meeting. In any case, board members or executive officers will not accumulate in their favor votes that represent more than 51% of the votes, excluding that delegation of votes from the companies owned by them or from their relatives by consanguinity or affinity</p> <p>On the other hand, CAVALI is in charge of entry in the share ledger.</p>
b. Is the share ledger kept permanently up to date?	X		CAVALI is in charge of keeping and updating the share ledger.

Provide the timing of updates to the share ledger upon becoming apprised of any change.

Timing:	Within 48 hours	
	Weekly	
	Others / Detail (in days)	1 day

Principle 3: No Dilution of Interest in the Capital Stock

Question I.5

	Yes	No	Explanation:
a. Is it a policy of the Company that the proposals of the Board of Directors in connection with corporate operations that may affect the right to non-dilution of shareholders (i.e., mergers, spinoffs, capital increases, among others) be previously explained by the Board of Directors in a detailed report with the independent opinion of an external advisor of professional repute appointed by the Board of Directors?	X		Article 6 of the Regulations of the General Shareholders Meeting establishes that, in the specific case of corporate transactions that may affect shareholders' right to not dilute shareholders, the Board of Directors shall make available to shareholders relevant reports dealing with such matters in particular. It is not stated that an independent opinion of an external adviser is necessarily contracted; however, the Chief Executive Officer hires an external consultant in charge of the operation.
b. Is it a policy of the Company to make such reports available to the shareholders?	X		Article 6 of the Regulations of the General Shareholders Meeting establishes that the Board of Directors will make available to the shareholders the relevant reports that deal with these particular topics.

If any corporate operations under the scope of item a) of question 1.5 have occurred during the fiscal year, and if the Company has Independent Directors(*), state if in all cases:

	Yes	No
Was the appointment of the external advisor made with the affirmative vote of all Independent Directors?		Not Applicable
All of the Independent Directors clearly expressed their acceptance of the aforementioned report and, if applicable, state the reasons for non-acceptance?		Not Applicable

(*). Independent Directors are those selected based on their professional experience, honorability, financial sufficiency and independence and non-relationship with the Company, its shareholders or directors.

Principle 4: Information and Communication to Shareholders

Question I.6

	Yes	No	Explanation:
Does the Company set who is in charge of or the means for shareholders to receive and require timely, reliable and truthful information?	X		Article 10 of the Regulations of the Board of Directors and Articles 14 and 15 of the Regulations of the Regular Shareholders Meeting provide that the Investor Relations Office is responsible that the shareholders receive and require timely, reliable and truthful information, establishing the means for such purpose.

a. Indicate the means through which shareholders receive and/or request information from the Company.

Communication Means	Receive Information	Request Information
Electronic mail	X	X
Telephone	X	X
Corporate web page	X	
Postal mail		
Information meetings	X	X
Others / Detail	Quarterly telephone conferences.	

b. Does the Company have a time limit to respond to information requests of shareholders? If answered in the affirmative, provide the time limit:

Time limit (days)
7 business days

Question I.7

	Yes	No	Explanation:
Does the Company have mechanisms in place for the shareholders to express their opinion on the development thereof?	X		Section 1 of Article 7 of the Regulations of the Regular Shareholders Meeting provide that shareholders may submit, through the information channels implemented by the Company, such matters, suggestions and comments of interest to the Company as they may deem appropriate at any time.

If answered in the affirmative, detailed the mechanisms in place in the Company for shareholders to express their opinion on the conduct thereof.

Article 7 of the Regulations of the Regular Shareholders Meeting provides that shareholders may express their opinion through the information channels in place in the Company at any time. Whenever possible, the company will answer directly to the shareholders in a term that should no be longer than 7 business days. It also provides that the response of the Company deemed of general interest shall be placed in the corporate web page.

Principle 5: Sharing in Dividends of the Company

Question I.8

	Yes	No	Explanation:
a. Is compliance with the dividend policy subject to evaluations to be conducted within a specific time frame?	X		The Board of Directors is under the obligation to review and approve the Financial Statements and, as such, proposes the distribution of profits in accordance with the dividend policy approved at the Annual Mandatory Shareholders Meeting. The Shareholders Meeting approves the dividends and verifies conformity thereof with its policy.
b. Is the dividend policy made known to the shareholders by its corporate web page, among other means?	X		Yes, our dividend policy is placed in our corporate web page, specifically in the 'Corporate Governance' section.

a. Indicate the dividend policy of the Company applicable to the fiscal year

Approval date	Approved by the Regular Shareholders Meeting of March 29, 2016
Dividend policy (profit sharing criteria)	The company will distribute between 30% and 40% of the net profit from the preceding year. On the basis of the results of the Consolidated Financial Statements subject to which the Financial Statements of Grana y Montero S.A.A. individually, submit sufficient results to cover that amount; in case the amounts of these financial statements are not sufficient, the company shall distribute only up to the limit of the latter. No dividend advances will be distributed.

b. Indicate the dividends in cash and in shares distributed by the Company in the fiscal year ended and in the previous fiscal year.

Per share	Dividends per share			
	Fiscal Year Reported*		Fiscal year previous to the reported fiscal year**	
	In cash	In shares	In cash	In shares
Class	S/ 0.046743895	0	S/ 0.158942384	0
Investment share	0	0	0	0

*The total amount of dividends paid during the year 2016 amounted to S/ 30'853,485.30

**The total amount of dividends paid during the year 2015 amounted to S/ 104'910,522.75

Principle 6: Change of Control or Takeover

Question I.9

	Yes	No	Explanation:
Does the Company have policies or agreements of non-adoption of anti-takeover mechanisms?		X	

Indicate if any of the following measures has been established in your company:

	Yes	No
Requirement of a minimum number of shares to be a Director		X
Minimum number of years as a Director to be appointed Chairman of the Board		X
Agreements for indemnification of executives / officers as a result of changes after a PAO.		X
Others of a similar nature / Detail		

Principle 7: Arbitration for Settlement of Disputes

Question I.10

	Yes	No	Explanation:
a. Do the by-laws of the Company contain an arbitration agreement providing that any dispute between shareholders, or between shareholders and the Board of Directors; and any objection to resolutions of the Regular Shareholders Meeting or of the Board Directors by the shareholders of the Company be submitted to arbitration according law?	X		Article 76 of the By-Laws contains the arbitration agreement.
b. Does such clause enable an independent third party to settle the disputes, except in case of an express legal reserve to be filed in the ordinary courts?	X		Article 76 of the By-Laws contains the arbitration agreement

In the event of any objections to resolutions of the Regular Shareholders Meeting or of the Board Directors by the shareholders and others involving the company during the fiscal period, provide their number.

Number of objections to resolutions of the Regular Shareholders Meeting	0
Number of objections to resolutions of the Board of Directors	0

**PILLAR II:
REGULAR SHAREHOLDERS MEETING**

Principle 8: Function and Competence

Question II.1

	Yes	No	Explanation:
Is approval of the Board of Directors remuneration policy an exclusive and non-delegable function of the Regular Shareholders Meeting?	X		The subsection j) of the article 9 of the Regular Shareholders Regulations and the article 34 of the Regulation of the Board of Directors establish that the Board of Directors policy is determined by the Regular Shareholder Meeting as provided in the By-Laws. In that way, the article 23 of the By-Laws states that is a function of the General Shareholders Meeting, when appropriate, to choose Board Members and set their remuneration.

Indicate whether the following functions are exclusive of the Regular Shareholders Meeting. If answered in the negative, indicate the body that exercises them.

	Yes	No	Body
Provide special investigations and audits	X		
Resolve the amendment of the by-laws	X		
Resolve a capital stock increase	X		
Resolve the distribution of dividends on account	X		
Appoint external auditors	X		

Principle 9: Regulations of the Regular Shareholders Meeting

Question II.2

	Yes	No	Explanation:
Does the Company have binding Regulations of the Regular Shareholders Meeting, the non-compliance of which entails liability?	X		The Regulations of the Regular Shareholders Meeting were approved by the Regular Shareholders Meeting held on March 31, 2005 and its last modification by the Regular Shareholders Meeting held on March 29, 2016.

If the company has Regulations of the Regular Shareholders Meeting, state whether they set the procedures to:

	Yes	No
Give notice of Meetings	X	
Incorporate items in the agenda by the shareholders	X	
Provide additional information to the shareholders for the meetings	X	
Conduct of the meetings	X	
The appointment of members of the Board of Directors	X	
Relevant others / Details	Publicize the resolutions passed at the Regular Shareholders Meeting	

Principle 10: Procedures for Giving Notice of Meetings

Question II.3

	Yes	No	Explanation:
In addition to the procedures to give notice of meetings established by law, does the Company have notice procedures that allow establishing contact with shareholders, particularly those who have no participation in the control or management of the Company?	X		In addition to the notice procedures established by law, the article 12 of the Regulations of the Regular Shareholders Meeting provide that the meeting is announced through our corporate web page.

a. Complete the following information for each of the Meetings held during the fiscal year:

Date of Notice	Date of Meeting	Place of Meeting	Type of Meeting		Meeting by Unanimous Consent		Quórum %	N° of Attending Shareholders	Interest (%) in the total shares of voting stock		
			Special	Regular	Yes	No			By Proxy	Direct Exercise (*)	Voting right not exercised
03 de Marzo de 2016	29 de Marzo de 2016	Oficina Graña y Montero		X		X	70.9148%	468,060,222	6.00	64.91	29.09

(*) Direct exercise includes voting by any means or procedure other than by proxy.

b. What other means, in addition to the one provided in Article 43 of the General Corporations Law and the provisions in the Relevant Facts and Reserved Information Regulations did the company use to give notice of the meetings during the fiscal year?

Electronic mail	X
Telephone	
Corporate web page	X
Postal mail	
Social media	
Others / Detail	

Question II.4

	Yes	No	Explanation:
Does the Company make available to the shareholders all information relative to the items in the agenda of the Regular Shareholders Meeting and the proposed resolutions intended to be passed (motions)?	X		The company makes available through its corporate web page as well as through the SMV and the e-mail sent to the investors all information concerning the subjects contained in the agenda of the Shareholders Meetings and proposed resolutions arising to adopt. In addition, paragraph 2 of Article 12 of the Regular Shareholders Regulations states that the notice of meeting contains the form and where the company makes available to the shareholders the proposed resolutions and comprehensive documentation that must be given to shareholders previously.

In the notices of meeting given by the company during the fiscal year:

	Yes	No
Was the place where the information pertaining to the items in the agenda to be transacted at the meetings specified?	X	
Were "other business", "various items" or similar included as items in the agenda?		X

Principle II: Proposed Agenda Items

Question II.5

	Yes	No	Explanation:
Do the Regulations of the Regular Shareholders Meeting include procedures allowing the shareholders to exercise the right to submit proposed agenda items to be discussed at the meeting and the procedures to accept or reject such proposals?	X		Article 13 of the Regulations of the Regular Shareholders Meeting provides that shareholders may submit suggestions on the matters included in the agenda through the Investor Relations Office.

a. Indicate the number of proposals submitted by the shareholders during the fiscal year to include items in the agenda to be discussed at the Regular Shareholders Meeting and the outcome thereof:

	Number of Requests	
Received	Accepted	Rejected
Ninguna	No Aplica	No Aplica

b. If any requests to include items in the agenda to be discussed at the Regular Shareholders Meeting were rejected in the fiscal year, state whether the company communicated the reasons for such rejection to the requesting shareholders.

Not Applicable

Principle 12: Procedures to Exercise Voting

Question II.6

	Yes	No	Explanation:
Does the Company have mechanisms in place that allow the shareholder to exercise remote voting by secure means, whether electronic or postal, that ensure that the person casting the vote is actually the shareholder?		X	The Company does not limit the right to proxy and therefore has not set mechanisms to allow remote exercise of voting.

a. If applicable, indicate the mechanisms or means in place by which the Company may exercise remote voting.

Vote by electronic means	Not Applicable
Vote by postal means	Not Applicable

b. If remote voting was exercised during the fiscal year, provide the following information:

Date of Meeting	% Remote Voting				% Remote Voting / Total
	Electronic Mail	Corporate Web Page	Postal Mail	Others	
	Not Applicable				

Question II.7

	Yes	No	Explanation:
Does the Company have corporate documents that clearly provide that shareholders may vote separately on substantially independent matters, so they may exercise their voting preferences separately?	X		Paragraph 1 of article 13 and article 26 of the Regulations of the General Shareholders Meeting establish that the Chairman of the Board of Directors shall provide shareholders with a separate vote on matters that are substantially independent even if they form part of the same agenda item.

Indicate whether the Company has corporate documents that clearly provide that shareholders may vote separately on:

	Yes	No
The appointment or ratification of Directors by an individual vote for each of them.	X	
The amendment of the by-laws, for each article or group of articles that are substantially independent.	X	
Others / Detail	Paragraph 1 of article 13 and article 26 of the Regulations of the General Shareholders Meeting establish that the Chairman of the Board of Directors shall provide shareholders with a separate vote on matters that are substantially independent even if they form part of the same agenda item.	

Question II.8

	Yes	No	Explanation:
Does the Company allow those acting on behalf of several shareholders to cast differentiated votes for each shareholder, so they comply with the instructions of each shareholder that they represent?	X		In practice, the Company allows to cast differentiated votes for each shareholder, for purposes of complying with the instructions of each shareholder represented. Article 17 of the Regulations of the Regular Shareholders Meeting contain very broad provisions that do not restrict the possibility to represent more than one shareholder with different voting intent but, rather, promote the giving of voting instructions by proxy letters.

Principle 13: Delegation of Votes

Question II.9

	Yes	No	Explanation:
Do the by-laws of the company allow its shareholders to delegate their vote to any person?	X		Article 29 of the company's By-Laws states that any shareholder entitled to participate in regular meetings may be represented by another person. Likewise, article 17 of the Regulations of the General Shareholders Meeting establishes said power; however, paragraph 5 of article 17 accurate that in any case, board members or executive officers will not accumulate in their favor votes that represent more than 51% of the votes, excluding that delegation of votes from the companies owned by them or from their relatives by consanguinity or affinity.

If answered in the negative, state whether your by-laws restrict the right to be represented by any of the following persons:

	Yes	No
Another shareholder		Not Applicable
A Director		Not Applicable
A Manager		Not Applicable

Question II.10

	Yes	No	Explanation:
a. Does the Company have procedures detailing the conditions, the means and the formalities to be performed in situations of voting delegation?	X		Article 29 of the By-Laws and Article 17 of the Regulations of the Regular Shareholders Meeting require representation by proxy to be set in writing and especially for each meeting, unless powers of attorney have been granted by a public instrument. Proxies must be filed with the Company at least 24 hours prior to the time set for the Regular Meeting and the Company shall not make any charge for such proxy.
b. Does the Company make available to shareholders a proxy form setting forth details of the proxies, the business for which the shareholder delegates its vote and, if applicable, its voting intent for each of the proposals?	X		Under Section 5 of Article 17 of the Regulations of the Regular Shareholders Meeting, the Company makes available to shareholders a proxy form duly posted in advance in the corporate web page. However, this is not the only form accepted by the Company.

Set forth the requirements and formalities to be met for a shareholder to be represented by proxy at a meeting:

Formality (indicate whether the Company requires a simple letter, a notarized letter, a public instrument or other).	Simple letter
Notice period (number of days prior to the meeting that the proxy form must be submitted)	24 hours
Cost (indicate whether the Company requires any payment for this purpose and the amount thereof).	Free of charge

Question II.11

	Yes	No	Explanation:
a. Is it a policy of the Company to set limitations to the percentage of delegation of votes to members of the Board of Directors or of the Senior Management?	X		Paragraph 5 of article 17 of the Regulations of the General Shareholders Meeting accurate that in any case, board members or executive officers will not accumulate in their favor votes that represent more than 51% of the votes, excluding that delegation of votes from the companies owned by them or from their relatives by consanguinity or affinity.
b. In cases of delegation of votes to members of the Board of Directors or of the Senior Management, is it the policy of the Company that shareholders who delegate their votes clearly state the intent thereof?	X		Paragraph 5 of article 17 and article 28 of the Regulations of the Regular Shareholders Meeting and article 14 of the Regulations of the Board of Directors establish that representation by proxy to a Director will seek to indicate expressly the sense that will vote the representative; in case they do not provide precise instructions on the Agenda, the Director may not exercise the right to vote when it is prohibited by law or is in a situation of conflict of interest.

Principle 14: Follow-up on Resolutions of the Regular Shareholders Meeting

Question II.9

	Yes	No	Explanation:
a. Does the Company follow up on the resolutions passed at the Regular Shareholders Meeting?	X		Article 9 of the Regulations of the Board of Directors sets forth the general supervisory function of the Board of Directors.
b. Does the Company issue periodic reports to the Board of Directors and are these made available to the shareholders?	X		Quarterly reports, which are made public through the SMV and the corporate web page, are issued.

If applicable, indicate the area and/or person in charge of following up on the resolutions passed by the Regular Shareholders Meeting. If a person is in charge, include also the position and area where he/she works.

Area in Charge	Legal and Corporate Affairs Office	
Person in Charge		
Full Name	Title	Area
Claudia Drago Morante	Chief Legal and Corporate Affairs Officer	Legal and Corporate Affairs Office

**PILLAR III:
BOARD OF DIRECTORS AND SENIOR MANAGEMENT**

Principle 15: Board of Directors Conformation

Question III.1

	Yes	No	Explanation:
Is the Board of Directors made up of persons specializing in various areas and with different competences, with good reputation, ethical, financial independence and other qualities relevant to the Company, so that there is a plurality of approaches and opinions?	X		The Board of Directors for the period 2016 was composed of 8 people from different professions, all with prestige, ethics and sufficient availability and economic independence. Of the 8 directors, 4 were independent.

a. Provide the following information pertaining to the members of the Board of Directors of the Company during the fiscal year.

Full Name	Professional Background (*)	Date		Equity Interest (****)	
		Start (**)	End (***)	N° of shares	Interest (%)
Directors (not including Independent Directors)					
José Graña Miró Quesada	-Architect -Director in three companies (1 belong to our economic group)	1996	March 2, 2017	117,538,203 shares through GH Holding Group Corp.	17.81%
Carlos Montero Graña	-Engineer - Director in three companies (all of them belong to our economic group)	1996		33,785,285 shares through Bethel Enterprises Inc.	5.12%
Mario Alvarado Pflucker	- Engineer -Director in three companies (2 of them belong to our economic group).	2003	March 2, 2017		
Hernando Graña Acuña	- Engineer -Director in five companies (all of them belong to our economic group)	1996	March 2, 2017		
Independent Directors					
Pedro Pablo Errázuriz Domínguez	- Engineer. - Director of seven companies (1 of them belong to our economic group).	2014			
Federico Cúneo de la Piedra	-Accountant - Director in seven companies (1 of them belong to our economic group).	2014	March 31, 2017		
Mark Hoffmann Rosas	- Engineer -Director in three companies (1 of them belong to our economic group).	2014	March 31, 2017		
Hugo Santa María Guzmán	- Engineer -Director in three companies. (1 of them belong to our economic group).		March 31, 2017		

(*) In addition, detail whether the Director is concurrently a member of other boards of directors, their number and whether these are part of the economic group of the reporting company. In this connection, the definition of economic group contained in the Regulations on Indirect Ownership, Related Companies and Economic Groups shall be considered.

(**) Pertains to the first appointment in the reporting company.

(***) Complete only if ceased in the position of Director during the fiscal year

(****) Mandatory only for Directors holding an interest of 5% or more in the capital stock of the reporting company.

% of the total shares held by the Directors	28.68%
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Provide the number of Directors of the Company within the following age range.

Less than 35	Between 35 and 55	Between 55 and 65	Older than 65
0	2	3	3

	Yes	No
b. Indicate whether there are specific requirements to be appointed Chairman of the Board in addition to the requirements to be appointed a Director.	X	

If answered in the affirmative, set forth such requirements.

Section 35.2 of the Regulations of the Board of Directors provides that the Chairman of the Board may not be a Chief Executive of the Group.

	Yes	No
c. Does the Chairman of the Board have a casting vote?	X	

Question III.2

	Yes	No	Explanation:
Does the Company prevent the appointment of substitute or alternate Directors, especially for quorum reasons?	X		<p>Although the Company's Bylaws allow alternate or alternate directors, Article 19.4 of Article 19 of the General Regulations of the Board of Directors states that the Board of Directors will not promote the election of these, ensuring that all elected members are full members. By exception, the election of alternates or alternates must be duly motivated.</p> <p>Such is the case that, for years, the designation of substitutes or alternate directors has been avoided because they would not be focused and connected with the dynamics of the company by having to attend sporadically.</p>

If the Company has alternate or substitute Directors, provide the following:

Full Name of Substitute or Alternate Director	Start (*)	End (**)
	Not Applicable	
	Not Applicable	

(*) Pertains to the first appointment as alternate or substitute Director of the reporting Company.

(**) Complete only if ceased in the position of alternate or substitute Director during the fiscal year.

Question III.3

	Yes	No	Explanation:
Does the Company disclose the names of Directors, their independent status and their resumes?	X		The name, capacity and resumes of our Directors are provided in our corporate web page, in our Annual Report and it is made available to the shareholders prior to the election of every Board of Directors.

Set forth the means by which the Company discloses the following information on the Directors:

	Electronic Mail	Corporate Web Page	Postal Mail	Not Reporting	Others/ Detail
Name of Directors		X			Adicionalmente se comunica en la Memoria Anual
Independent Status or not		X			Adicionalmente se comunica en la Memoria Anual
Resumes		X			Adicionalmente se comunica en la Memoria Anual

Principle 16: Functions of the Board of Directors

Question III.4

The Board of Directors performs the function of:	Yes	No	Explanation:
a. Approving and directing the corporate strategy of the Company	X		Article 9 of the Regulations of the Board of Directors states its functions.
b. Setting objectives, goals and action plans include in the annual budgets and the business plans.	X		Article 9 of the Regulations of the Board of Directors states its functions.
c. Controlling and supervising the management and in charge of governance and administration of the Company.	X		Article 9 of the Regulations of the Board of Directors states its functions.
d. Supervising the good corporate governance practices and setting the policies and measures required for better application thereof.	X		Article 9 of the Regulations of the Board of Directors states its functions.

a. Detail any other relevant powers of the Board of Directors of the Company

- Supervise strategically important commercial, industrial or financial agreements.
- Approve acquisitions and disposals of substantial assets and equity interests in companies, and the financial operations of the Company that have a material impact on the equity situation or that, due to any circumstance, may be especially significant.
- Approve investments that due to their amount or their nature significantly affect the equity situation or the strategy of the Company.
- Propose and approve within the limits authorized by the Regular Shareholders Meeting, the issue of bonds, obligations or similar securities.
- Approve the rules and procedures for appointments, control of the management activity, the identification of the main risks of the Company, the evaluation, removal and remunerations applicable to the Senior Management, especially of the Corporate General Manager and the efficiency of the good corporate governance practices.

	Yes	No
b. Does the Board of Directors delegate any of its functions?	X	

Set forth, if applicable, the main functions of the Board of Directors that have been delegated, and the body that performs such delegated functions.

Functions	Body / Area to which functions have been delegated
Hiring and substituting the General Manager	Human Resources Management and Sustainability Committee
Hiring and substituting the Management Staff	Human Resources Management and Sustainability Committee in coordination with the Chief Executive Officer
Set the remuneration of chief executives	Human Resources Management and Sustainability Committee
Evaluate the remuneration of chief executives	Human Resources Management and Sustainability Committee in coordination with the Chief Executive Officer
Follow up on the social responsibility policy	Human Resources Management and Sustainability Committee
Ongoing relationing with external auditors	Audit and Process Committee
Follow-up and supervision of the internal and external audit services	Audit and Process Committee
Review of the internal processes of the Group	Audit and Process Committee
Procedures and investigations of claims filed with the Ethical Channel in connection with accounting and financial matters.	Audit and Process Committee
Follow-up and approval of the annual investment plan	Investment and Risk Committee

Principle 17: Duties and Rights of the Members of the Board of Directors

Question III.5

Are the members of the Board of Directors entitled to?:	Yes	No	Explanation:
a. Request the Board of Directors support or the contribution of experts.	X		Article 32 of the Regulations of the Board of Directors states that Directors may gather the information and receive the advisory that they may require on any aspect of the Company.
b. Participate in induction programs on their authority and duties and to be timely informed of the organizational structure of the Company.	X		El numeral 19.3 del Reglamento General del Directorio establece que el Presidente del Directorio y/o el Gerente General Corporativo deberán realizar al nuevo Director una inducción en la que se le explique la estructura del Grupo Graña y Montero. Asimismo, como práctica se lleva de visita a los Directores a obras importantes del Grupo.
c. Receive a remuneration for the work performed, which combines recognition of the professional experience and dedication to the Company with a rationality criterion.	X		Chapter IX of the Regulations of the Board of Directors regulating remuneration of the Director. Remuneration consists of a fixed amount per meeting and a variable amount per meeting.

a. If specialized advisors were hired during the fiscal year, indicate whether the list of specialized advisors of the Board of Directors who provided services during the fiscal year for the decision making of the Company was provided to the shareholders.

Not Applicable

If applicable, state whether any of the specialized advisors was related to any member of the Board of Directors and/or the Senior Management(*).

Not Applicable

(*) In connection with relatedness, the relationship criteria contained in the Regulations on Indirect Ownership, Related Companies and Economic Groups shall be applied.

b. If applicable, indicate whether the Company conducted induction programs with the new members who joined the Company.

Not Applicable

c. Indicate the ratio of the aggregate amount of remunerations and annual bonuses of Directors to gross income, according to the financial statements of the Company (*).

Remuneration	(%) Gross Income	Bonuses	(%) Gross Income
Directors (not including Independent Directors)	0.00781%	Delivery of Shares	Not Applicable
Independent Directors	0.01083%	Delivery of Options	Not Applicable
		Delivery of Cash	Not Applicable
		Others (detail)	

(*). Remuneration ratio set in relation to consolidated gross sales of the Graña y Montero Group.

Principle 18: Regulations of the Board of Directors

Question III.6

	Yes	No	Explanation:
Does the Company have binding Regulations of the Board of Directors the non-compliance of which entails liability?	X		We have the Regulations of the Board of Directors approved at the Board of Directors Meeting held on March 31, 2005 as last amended was approved by Board of Directors meeting in October 25, 2016.

Indicate whether the Regulations of the Board of Director contain:

	Yes	No
Operating policies and procedures	X	
Organizational structure of the Board of Directors	X	
Functions and responsibilities of the Chairman of the Board	X	
Procedures for identification, evaluation and nomination of candidates to members of the Board, who are proposed to the Regular Shareholders Meeting	X	
Procedures for cases of vacancy, termination and succession of Directors	X	
Others / Detail	Regulates cases of conflict of interest, the functions of the vice chairman and secretary of the Board of Directors, and of the Chief Executive Officer.	

Principle 19: Independent Directors

Question III.7

	Yes	No	Explanation:
Is at least one-third of the Board of Directors made up of Independent Directors?	X		During 2016, 4 of our 8 board members were Independent Directors.

Indicate which of the following conditions is taken into account by the Company to qualify its Directors as Independent Directors.

	Yes	No
Not being a Director or employee of a company of its economic group, unless three (3) or five (5) years, respectively, since termination of such relationship have elapsed.	X	
Not being an employee of a shareholder with an interest of five percent (5%) or more in the company.		X
Not having more than eight (8) continued years as an Independent Director of the Company.		X
Not having, or having had in the last three (3) years a business, commercial or contractual relationship, whether direct or indirect, and significant, (*), with the Company or any other company of its group.	X	
Not being the spouse of, or have any first or second degree kinship relationship by blood, or in the first degree of affinity, with shareholders, members of the Board of Directors or of the Senior Management of the Company.	X	
Not being a director or a member of the Senior Management of another company in which any Director or member of the Senior Management of the Company is part of the Board of Directors.	X	
Not having been in the last eight (8) years a member of the Senior Management or an employee, whether in the Company, in companies of its group or in companies who are shareholders of the Company.	X	
Not having been in the last three (3) years, a partner or employee of the external auditor or of the auditor of any company of its group.		X
Others / Detail	- *Our regulations consider a period of five (5) years. - Additionally, to qualify as an Independent Director a professional and personal profile that inspires a presumption of trust in connection with its independence is required.	

*The business relationship shall be presumed significant when any of the parties has issued invoices or payments in an amount higher than 1% of its annual income.

Question III.8

	Yes	No	Explanation:
a. The Board of Directors declares that the proposed candidate is independent based on the enquiries conducted and the statement of the candidate?	X		The Board of Directors proposes to the Shareholders Meeting the appointment of the Directors stating whether they are Independent, External Non-Independent or Internal Directors.
b. The candidates to Independent Director state their independent status to the Company, its shareholders and managers?	X		Candidates submit to the Company a Sworn Affidavit where they state their Independent status, among others.

Principle 20: Operational Efficiency of the Board of Directors

Question III.9

	Yes	No	Explanation:
Does the Board of Directors have a work plan that contributes to the efficiency of its functions?	X		The Board of Directors has a pre-established agenda.

Question III.10

	Yes	No	Explanation:
Does the Company provide its Directors the channels and procedures necessary to participate efficiently in Board of Directors meetings, even if non-presential?	X		Section 12.6 of the Regulations of the Board of Directors and Article 59 of the By-Laws provide that non-presential meetings may be held.

a. Indicate the following in connection with the Board of Directors meetings held during the fiscal year:

Number of meetings held	8
Number of meetings held without the giving of notice (*)	2
Number of meetings which the Chairman of the Board did not attend	0
Number of meetings at which one or more Directors were represented by substitute or alternate Directors	0
Number of regular Directors who were represented at least once	0

(*) The number of meetings held under the provisions in the last paragraph of Article 167 of the General Corporations Law shall be set in this field.

b. Indicate the attendance rate of Directors to Board of Directors meetings during the fiscal year.

Name	% Attendance
José Graña Miró Quesada	100%
Carlos Montero Graña	100%
Mario Alvarado Pflucker	100%
Mark Hoffmann Rosas	75%
Federico Cúneo de la Piedra	87.5%
Hernando Graña Acuña	100%
Pedro Pablo Errázuriz Domínguez	100%
Hugo Santa María Guzmán	87.5%

c. Indicate the time prior to the Board of Directors meeting that all information of the business to be transacted at a meeting is made available to the Directors

	Less than 3 days	3 - 5 days	More than 5 days
Non-Confidential Information	X		
Confidential Information	X		

Question III.11

	Yes	No	Explanation:
a. Does the Board of Directors evaluate at least once a year, objectively, its performance as governing body and that of its members?	X		Directors conduct a self-evaluation within the first quarter of the year.
b. Is the self-evaluation methodology alternated with the evaluation conducted by external advisors?		X	The evaluation of the Board of Directors has been internal; however, clause 12.1 of article 12 of the Regulations of the Board of Directors establishes that the Board of Directors may decide to alternate the methodology of said self-assessment by hiring external auditors to carry it out.

a. Indicate if performance evaluations of the Board of Directors have been conducted during the fiscal year.

	Yes	No
As governing body	X	
Of its members	X	

If any of the fields in the previous question is answered in the affirmative, provide the following information for each evaluation:

Evaluation	Self-evaluation		External Evaluation		
	Date	Communicated (*)	Date	Entity in Charge	Communicated (*)
Board of Directors Meeting	March 29, 2016	No		Not Applicable	

(*) Indicate Yes or No, if the evaluation was communicated to the shareholders.

Principle 21: Special Committees

Question III.12

	Yes	No	Explanation:
a. Does the Board of Directors of the Company form special committees focused on the analysis of the most relevant matters for performance of the Company?	X		The Regulations of the Board of Directors govern development of the three Committees formed in the Company: (i) Investment and Risk Committee (ii) Human Resources Management and Sustainability Committee; and; (iii) Audit and Process Committee.
b. Does the Board of Directors approve the regulations governing each of the special committees formed?	X		The Regulations of the Board of Directors, which govern the conduct of special committees, was approved by a Board of Directors meeting.
c. Are special committees chaired by Independent Directors?	X		The only one of the three committees not chaired by an Independent Director is the Investment and Risk Committee; however, it consists of a majority of Independent Directors. The other two special committees are made up of and chaired by Independent Directors only.
d. Are Special committees assigned a budget?	X		The Investment and Risk Committee and the Human Resources Management and Sustainability Committee have an assigned budget. This is not provided to the Audit and Process Committee, which in accordance with item o) of Article 40.6 of the Regulations of the Board of Directors may determine its own budget to ensure independence in performance of its duties.

Question III.13

	Yes	No	Explanation:
Does the Company have an Appointments and Remuneration Committee in charge of nominating the candidates to member of the Board, who are proposed to the Regular Shareholders Meeting by the Board of Directors, and of approving the remuneration and incentives system of the Senior Management?	X		The Human Resources Management and Sustainability Committee approves the remuneration and incentives system of the Senior Management, while the Senior Management is in charge of nominating the candidates to member of the Board.

Question III.14

	Yes	No	Explanation:
Does the Company have an Audit Committee that oversees the efficiency and suitability of the internal and external control system of the Company, the work of the auditing firm or the independent auditor, and compliance with the legal and professional independence regulations?	X		The Audit and Process Committee.

a. Indicate whether the Company has the following additional Special Committees:

	Yes	No
Risk Committee	X	
Corporate Governance Committee		X*

*The functions of the Corporate Governance Committee are performed by our Audit and Process Committee.

b. If the Company has Special Committees, provide the following information for each committee:

Name of the Committee:	Audit and Process Committee
Date of Creation:	October 28, 2004
Main Functions:	<p>Ensure good corporate governance, appropriate internal procedures and the transparency of all acts of the Company in the economic-financial, external audit and compliance and internal audit areas. Specifically:</p> <ul style="list-style-type: none"> • Report at the Shareholders Meeting on matters within the competence of shareholders to be submitted at such meeting. • Propose at the Regular Shareholders Meeting the appointment of external auditors for submission thereof to the Regular Shareholders Meeting. • Oversee the internal auditing services. • Have knowledge of the financial reporting process and the information and internal control systems of the company. • Review the accounts of the company, monitor compliance with legal requirements and the proper application of generally accepted accounting principles, and report on the proposals for amendment of accounting principles and criteria proposed by the management. • Oversee compliance with the auditing contract, ensuring that the opinion of the annual accounts and the main contents of the audit report are clearly and accurately written. • Relate with the external auditors to receive information on such matters that may jeopardize the independence thereof and any others associated with the account audit process. • Monitor compliance with the Regulations of the Board of Directors and, in general, of the corporate governance rules, and make such proposals as may be required for improvement and to prepare the information that the Board of Directors is to approve and include within its annual public documents. • Oversee functioning of the Corporate web page of the Company. • Ensure proper compliance with the internal operating processes of the Group associated with the cycles of origination, structuring, proposal preparation, acceptance of awarded contracts and performance of contracts and propose any corrective measures deemed appropriate. • Be directly responsible for the appointment, compensation, retention and oversight of the external auditors retained by the Company. • Settle any disputes as may arise between the management and the external auditors. • Have the sufficient authority and financial resources to hire its own external advisors, whether legal, accounting or other advisors, as may be necessary for the proper performance of its duties. • Set its own budget to ensure independence in performance of its duties. • Set the prior approval policies and procedures for audit and other permitted services. • Set the procedures for: (i) receipt, retention, and the procedure for complaints received by the Company in connection with accounting, accounting internal control or auditing matters; and, (iii) allow the anonymous and confidential submission of concerns by Company employees in connection with debatable accounting or auditing issues.

Members of the Committee (*): Full Name	Date		Position in the Committee			
	Start (**)	End (***)				
Federico Cúneo de la Piedra	29.04.14	March 31, 2017	Chairman			
Hugo Santa María Guzmán	29.04.14	March 31, 2017	Member			
Mark Hoffmann Rosas	29.04.14	March 31, 2017	Member			
% of Independent Directors in the Committee			100%			
Number of meetings held during the fiscal year:			5 meetings			
Has been granted powers in accordance with Article 174 of the General Corporations Law.			Yes	X	No	
The committee or its chairman participates in the Regular Shareholders Meeting.			Yes		No	X

Name of the Committee:	Human Resources Management and Sustainability Committee
Date of Creation:	October 28, 2004
Main Functions:	<ul style="list-style-type: none"> • Report to the Board of Directors the appointments and terminations of the Senior Management of the company, and of the Chief Executive Officers of the subsidiaries. • Resolve on the adoption of remuneration plans for the Senior Management, especially for the Corporate Chief Executive Officer, taking into account the performance of the company. • Propose measures for transparency of the compensation of directors and the Senior Management, and ensure performance thereof. • Know and assess the human resources policy. • Inform the Board of Directors of transactions with related parties of directors, senior executives or persons related therewith, which involve or may involve conflicts of interest. • Ensure compliance with the Sustainability Policy, and issue Sustainability policies, directives and / or complementary procedures that contribute to strengthening the responsible management of the Group • Oversee the sustainability management and report in connection therewith to the Board of Directors. • Review and approve corporate goals and objectives associated with the compensation of the Chief Executive Officer; evaluate the performance of the Chief Executive Officer in accordance with such goals and objectives, and set and approve the compensation of the Chief Executive Officer. • Retain and keep an independent external advisory in compensation matters. • Responsible for the appointment, compensation and oversight of independent external advisors in compensation matters. • Retain independent external advisors for remuneration or other matters as necessary for performance of its duties. • Propose measures to strengthen social, environmental and governance risk management of subsidiary companies, monitor progress and report to the Board of Directors.

Members of the Committee (*): Full Name	Date		Position in the Committee			
	Start (**)	End (***)				
Pedro Pablo Errázuriz	28.01.16		Chairman			
Federico Cúneo de la Piedra	29.04.14	March 31, 2017	Member			
Mark Hoffmann Rosas	29.04.14	March 31, 2017	Member			
% of Independent Directors in the total del Committee.			100%			
Number of meetings held during the fiscal year:			4 meetings			
Has been granted powers in accordance with Article 174 of the General Corporations Law.			Yes	X	No	
The committee or its chairman participates in the Regular Shareholders Meeting.			Yes		No	X

Denominación del Comité:	Investment and Risk Committee
Fecha de creación:	October 28, 2004
Principales funciones:	<ul style="list-style-type: none"> • Set the investment policy • Approve the Annual Investment Plan • Analyze projects requiring an investment of over US\$5,000,000.00 assessing the available funding sources and the impact on the balance structure of the company and its subsidiaries. • Assess and control the main risks of the projects in which the companies of the Financial Group participate.

Members of the Committee (*): Full Name	Date		Position in the Committee			
	Start (**)	End (***)				
José Graña Miró Quesada	28.10.04	March 02, 2017	Chairman			
Hugo Santa María Guzmán	29.04.14	March 02, 2017	Member			
Pedro Pablo Errázuriz Dominguez	29.04.14		Member			
% of Independent Directors in the Committee			67%			
Number of meetings held during the fiscal year:			3 meetings			
Has been granted powers in accordance with Article 174 of the General Corporations Law.			Yes	X	No	
The committee or its chairman participates in the Regular Shareholders Meeting.			Yes	X	No	

(* Information on persons who are or were members of the Committee during the reporting fiscal year.

(**) Pertains to the first appointment as a member of the Committee in the reporting company.

(***) Complete only if ceased to be part of the Committee during the fiscal year.

Principle 22: Code of Ethics and Conflicts of Interest

Question III.15

	Yes	No	Explanation:
Does the Company take measures to prevent, detect, handle and disclose conflicts of interests that may arise?	X		The Company has an Ethics Charter and a Code of Conduct available in our corporate web page.

If applicable, indicate the area and/or person in charge of follow-up and control of possible conflicts of interest. If a person is in charge, include also the position and area where he/she works.

Area in Charge	Human Resources Management		
	Person in Charge		
Full Name	Position	Area	

Question III.16

	Yes	No	Explanation:
a. Does the Company have a Code of Ethics(*) enforceable on its Directors, managers, officers and other collaborators (**) of the Company, which sets forth ethical and social responsibility criteria, including management of potential conflicts of interest?	X		The Code of Conduct was approved in 2012 and the Ethics Charter in 1995 while the anti-corruption policy in 2015.
b. Does the Board of Directors or the General Manager approve training programs for compliance with the Ethics Code?	X		Every company of the group incorporates to the annual training plan courses on the Code of Conduct. Also, to conduct such training, we have on-line courses, incorporating them as induction for new directors and new collaborators.

(*) The Code of Conduct may be a part of the Internal Conduct Regulations.

(**) The term collaborates covers all persons who have any employment relationship with the Company, regardless of the labor system or procedure.

If the Company has a Code of Ethics, indicate the following:

a. Available to:

	Yes	No
Shareholders	X	
Other persons to whom it may apply	X	
The general public	X	

b. Indicate the area and/or person in charge of following up on and compliance with the Code of Ethics.
If a person is in charge, include also the position and area where he/she works and who he/she reports to.

Area in Charge	Ethics Commission		
Person in Charge			
Full Name	Position	Area	Reports to
Claudia Drago Morante	Chief Legal and Corporate Affairs Officer	Legal and Corporate Affairs Office	Mario Alvarado Pflucker*

*After the resignation of Mr. Alvarado on March 02, 2017, the Legal and Corporate Affairs Office reports to Mr. Luis Francisco Díaz Olivero.

	Yes	No
c. Is a record of cases of non-compliance with such Code in place?	X	

d. Indicate the number of events of non-compliance with the provisions in such Code, detected or reported during the fiscal year.

Total cases filed 2016	
Pending	0
Inadmissible	5
Under investigation	20
Closed	9

- The Ethical Channel record includes reports received, classified as above; however, we cannot say whether the reports classified as ‘closed’ have been an event of non-compliance or were ruled inadmissible, information that the Ethics Commission handles as reserved.

- Likewise, 4 of the 20 investigations were filed in September and belong to Colombia and Chile, while the other 16 are complaints filed between November and December.

Question III.17

	Yes	No	Explanation:
a. Does the Company have mechanisms in place to report any illegal or unethical behavior, safeguarding the confidentiality of the reporting party?	X		We have an Ethical Channel that allows reporting illegal or unethical behaviors safeguarding the confidentiality of the reporting party.
b. Reports are filed directly to the Audit Committee when related to accounting matters or when the General Management or the Financial Management are involved?	X		Item Q) of Section 40.6 of the Regulations of the Board of Directors requires that the Audit and Process Committee sets procedures for reception, retention and processing of the reports received by the Company in connection with accounting, internal control of accounts or audit matters. The confidential, anonymous submission of concerns by employees in society is also allowed regarding accounting or auditing scope issues.

Question III.18

	Yes	No	Explanation:
a. Is the Board of Directors in charge of follow-up and control of any conflicts of interest arising in the Board of Directors?	X		Article 29 of the Regulations of the Board of Directors provides that Directors communicate to the Board of Directors any conflict situation, whether direct or indirect, that they may have with the interest of the Company.
b. If the Company is not a financial entity, has it established the policy that members of the Board of Directors are prohibited from borrowing from the Company or from any company of their economic group, unless previously consented by the Board of Directors?	X		This policy is in place since we listed in the New York Stock Exchange in 2013. It should be noted that no loans whatsoever are granted to members of the Board of Directors (not even with the approval thereof).
c. If the Company is not a financial entity, has it established the policy that members of the Senior Management are prohibited from borrowing from the Company or from any company of their economic group, unless previously consented by the Board of Directors?	X		This policy is in place since we listed in the New York Stock Exchange in 2013. It should be noted that no loans whatsoever are granted to members of the Senior Management (not even with the Board of Directors).

a. Provide the following information on members of the Senior Management who are shareholders with an interest of 5% or more in the Company.

Full Name	Position	Number of Shares	% of Total Shares
Not Applicable			
% of the total shares held by the Senior Management	7.40185%		

b. Indicate whether any of the members of the Board of Directors or the Senior Management of the Company is the spouse, is a first or second degree relative by blood, or first degree relative by affinity of:

Full Name	Vinculación con:			Full Name of Shareholder / Director / Manager	Relation Type (**)	Additional Information (***)
	Shareholder(*)	Director	Senior Management			
Not Applicable						

(*) Shareholders with an interest of 5% or more in the capital stock.

(**) In connection with relatedness, the relationship criteria contained in the Regulations on Indirect Ownership, Related Companies and Economic Groups shall be applied.

(***) If any relationship with a shareholder exists, include the equity interest thereof. If the relation is with any member of the management staff, include its position.

c. If a member of the Board of Directors holds or has held a management position in the Company during the fiscal year reported herein, provide the following information::

Full Name	Management Position that he holds or has held	Management Position Date	
		Start (*)	End (**)
Mario Alvarado Pflucker	Corporate General Manager	12.08.1996	02.03.2017
Hernando Graña Acuña	Executive President of GyM S.A.	31.03.2011	31.12.2016

(*) Pertains to the first appointment to a management position in the reporting company

(**) Complete only if ceased in the management position during the fiscal year.

d. If any member of the Board of Directors or the Senior Management of the Company has held during the fiscal year any significant business, commercial or contractual relationship with the Company due to the amount or subject thereof, provide the following information:

Full Name	Relationship Type	Brief Description
	Not applicable	

Principle 23: Transactions with Related Parties

Question III.19

	Yes	No	Explanation:
a. Does the Board of Directors have policies and procedures in place to assess, approve and disclose certain transactions between the Company and related parties, and to know the business or personal relationships, whether direct or indirect, that the Directors maintain with each other, with the Company, its suppliers or clients, and other stakeholders?	X		The Human Resources Management Committee has policies and procedures in place to assess, approve and disclose certain transactions between the Company and related parties, disclosing them in form 20F submitted as Relevant Fact to the SMV.
b. For operations of special relevance or complexity, is the participation of independent external advisors for assessment thereof considered?		X	However, clause 30.5 and 30.6 of Article 30 of the General Regulations of the Board of Directors establishes that the Transfer Pricing Study applicable to Grupo Graña y Montero will be used as the valuation criterion.

a. If item a) of question III.19 is the case, indicate the area(s) of the Company in charge of dealing with transactions with related parties in the following aspects:

Aspects	Area in Charge
Assessment	Human Resources Management
Approval	Chief Executive Officer or Board of Directors of each company
Disclosure	Chief Executive Officer

b. Indicate the procedures to approve transactions between related parties:

Article 30 of the Regulations of the Board of Directors provides that Human Resources Management and Sustainability Committee reserves the knowledge and authority over any transaction between the Company and any related party or person related to them, shareholders, Directors, Senior Managers and Chief Executives or persons related to them and with other companies of the Graña y Montero Group.

Furthermore, for ordinary transactions, provided they are conducted at fair value, the generic authorization of the operations line shall suffice.

c. Detail the transactions material due to their amount or subject performed between the Company and its related parties during the fiscal year.

Name or Corporate Name of Related Party	Nature of the Relationship (*)	Type of Transaction	Amount (S/.)
Negocios de Gas	Subordinate	Capital Contribution	427,231,607.37
Viva GYM	Subordinate	Credit Capitalization	83,200,000.00
GyM S.A.	Subordinate	Loan agreement	57,405,721.60
Adexus S.A.	Subordinate	Loan agreement	25,200,000.00
Concesionaria Via Expresa Sur	Subordinate	Loan agreement	9,303,240.26
CAM Servicios del Perú	Subordinate	Loan agreement	2,949,811.20

(*) In connection with relatedness, the relationship criteria contained in the Regulations on Indirect Ownership, Related Companies and Economic Groups shall be applied.

	Yes	No
d. Indicate whether the Company sets limits to transactions performed with related companies.		X

Principle 24: Functions of the Senior Management

Question III.20 / Compliance

	Yes	No	Explanation:
a. Does the Company have a clear policy for the delimitation of administrative or governance functions implemented by the Board of Directors, the ordinary conduct of business by the Senior Management and the leadership of the General Manager?	X		Article 9 of the Regulations of the Board of Directors defines the overall management strategy and guidelines of the Company, the furtherance and oversight of the conduct of the Senior Management setting the foundations of the corporate organization with a view to ensuring the highest efficiency thereof, oversight in connection with transparency and truthfulness of the information of the Company in its relationships with shareholders. Additionally, Article 38 of such Regulations provide that the General Manager is responsible for the operations and administration of the Company in accordance with the criteria and guidelines set by the Board of Directors, who implements such resolutions and ensures that the Senior Management performs the resolutions of the Board of Directors, implements the strategy of the Board and keeps an appropriate planning, control and information system for the Board of Directors.
b. The appointments of General Manager and Chairman of the Board of the Company are made by various persons?	X		Section 35.2 of the Regulations of the Board of Directors provides that the Chairman of the Board may not be a Chief Executive of the Group.
c. Does the Senior Management have sufficient autonomy to perform the duties assigned, within the framework of policies and guidelines defined by the Board of Directors and under the control thereof?	X		Art. 9.5 provides that the Board of Directors respects the decision making authority of its governing and management bodies in consistency with the interests of the Company. Furthermore, the principle of responsible autonomy set in the Code of Ethics prevails in the Company.
d. Is the General Manager in charge of complying with and enforcing compliance with the policy of information delivery to the Board of Directors and its members?	X		Article 38 of the Regulations of the Board of Directors provides that the General Manager shall be in charge of maintaining and appropriate planning, control and information system for the Board of Directors.
e. Does the Board of Directors evaluate on an annual basis the performance of the General Management under well defined standards?	X		It is a part of the self-evaluation process of the Board of Directors which takes place within the first quarter of each year.
f. Does remuneration of the Senior Management have a fixed and a variable component that take into account the results of the Company based on a sound and responsible assumption of risk, and accomplishment of the goals set in the respective plans?	X		The remuneration of the Companies Board Members is regulated in Article 34 of the Regulations of the Board of Directors, consists of the following: Board of Directors meeting attendance fees, Committee meeting attendance fees, and profit sharing.

a. Provide the following information on the remuneration of the General Manager and the management staff (including bonuses).

Position	Remuneration (*)(**)	
	Fixed	Variable
General Manager	0.0180 %	0.0033 %
Management Staff	0.1172%	0.0408 %

(*) Indicate the ratio of the aggregate amount of remunerations and annual bonuses of members of the Senior Management to gross income, according to the financial statements of the Company

(**) The ratio is set in relation to consolidated gross sales of the Graña y Montero Group.

b. If the Company pays the Senior Management bonuses or any compensation other than those required by law, indicate how these are paid.

	General Management	Managers
Delivery of Shares	X	X
Delivery of Options	No	No
Delivery of Cash	No	No
Others / Detail	Shares are delivered based on the loyalty program	

c. In case of existence of a variable component in the remuneration, specify the main aspects taken into account for determination thereof.

- Compliance with Company budget taken into account
- Rate of compliance with executive objectives
- Pre-established financial index

	Yes	No
d. Indicate if the Board of Directors evaluated performance of the General Management during the fiscal year.	X	

**PILLAR IV:
RISK AND COMPLIANCE**

Principle 25: Environment of Risk Management System

Question IV.1

	Yes	No	Explanation:
a. Does the Board of Directors approve a comprehensive risk management policy in consistency with its size and complexity, promoting a risk management culture within the Company, from the Board of Directors to the Senior Management and its own collaborators?	X		Under item J) of Article 9.3 of the Regulations of the Board of Directors, this is a function of the Board of Directors. However, as of this date the risk matrix of the Group.
b. The comprehensive risk management policy covers all companies that make up the Group and allows a comprehensive view of critical risks?	X		Will cover the entire Group.

	Yes	No
Does the Company have a risk management delegation policy setting the risk limits that can be managed for each company level?		X

Question IV.2

	Yes	No	Explanation:
a. The General Management manages the risks to which the Company is exposed and communicates them to the Board of Directors?	X		Through the management report of the business report and the Relevant Facts submitted at every meeting.
b. Is the General Management responsible for the risk management system, if there is no Risk Committee or Risk Management?	X		

	Yes	No
Does the Company have a Risk Manager?		X

If answered in the affirmative, provide the following information:

Full Name	Date of Position Held		Area / Body to which it reports
	Start (*)	End (**)	
Not Applicable			

(*) Pertains to the first appointment in the reporting Company.

(**) Complete only if ceased in the position during the fiscal year.

Question IV.3

	Yes	No	Explanation:
Does the Company have an internal and external control system the efficiency and suitability of which is overseen by the Board of Directors of the Company?	X		Through the Audit and Process Committee

Principle 26: Internal Audit

Question IV.4

	Yes	No	Explanation:
a. The internal auditor performs auditing duties on an exclusive basis, is autonomous and has the experience and expertise in the subjects under his evaluation, and the independence to follow up on and evaluate efficiency of the risk management system?	X		The internal auditor is autonomous to objectively evaluate and regulate the risks of the business, the internal control system and the operating and financial performance so that the information of the Company is accurate and consistent with the transparency principle.
b. Are the ongoing evaluation of the validity and reliability of all the financial information generated or entered by the Company, and verifying the efficiency of regulatory compliance the functions of the internal auditor?	X		For the information of the Company to be accurate and consistent with the transparency principle.
c. Does the internal auditor report directly to the Audit Committee its plans, budget, activities, progress, results obtained and actions taken?	X		Likewise, under item c) of Article 40.6 of the Regulations of the Board of Directors, supervising the internal audit services is a function of the Audit and Process Committee.

	Yes	No
a. Indicate whether the Company has an independent area in charge of internal audit.	X	

If answered in the affirmative, indicate, by rank, who the audit depends on within the organic structure of the Company.

Depends on:	The Audit And Process Committee
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	Yes	No
b. Indicate if the Company has an Internal Corporate Auditor.	X	

Indicate the main responsibilities of the internal auditor and if it performs functions other than the internal audit.

The internal auditor does not perform functions other than the internal audit and its main functions are:

- Assist the Board of Directors and the Management in performance of its Corporate Governance-related functions.
- Objectively evaluate and regulate the risks of the business, the internal control system and operating and financial performance.
- Provide assurance and consulting in the potential capacity of this activity to improve risk management, add value to the group and improve the operational level.

Question IV.5

	Yes	No	Explanation:
Is the Board of Directors in charge of the appointment and termination of the Internal Auditor at the proposal of the Audit Committee?	X		The Regulations of the Board of Directors provide that the Audit and Process Committee shall ensure that selection of the Internal Auditor is made under objective criteria; and in general, that the information of the Company be accurate and consistent with the transparency principle.

Principle 27: External Auditors

Question IV.6

	Yes	No	Explanation
Does the Regular Shareholders Meeting, at the proposal of the Board of Directors, appoint the auditing firm or the independent auditor, who maintain a clear independence from the Company?	X		The external audit firm appointed by the Regular Shareholders Meeting maintains a clear independence whereby it is a function of the Audit and Process Committee to relate with the external auditors, to receive information on matters that may jeopardize their independence.
a. Does the Company have a policy for appointment of the External Auditor?	X		

If answered in the affirmative, describe the procedure to hire the auditing form in charge of reviewing the annual financial statements (including the identification of the corporate body in share of electing the auditing firm).

The Corporate Financial Management proposes three candidates, then the Audit and Process Committee approves the appointment of one of them, who is presented by the Chairman of the Committee to the Board of Directors for approval and submission to the Regular Shareholders Meeting who ultimately approves such appointment.

	Yes	No
b. If the auditing firm has provided services other than accounts reviewing, indicate if such hiring was communicated to the Regular Shareholders Meeting, including the percentage of the total invoiced by the auditing firm to the Company that such services account for.		X

	Yes	No
c. The persons or entities related to the auditing firm provide to the Company services other than the reviewing of accounts?	X	

If answered in the affirmative, provide the following information on the additional services provided by persons or entities related to the auditing firm in the reported fiscal year.

Name or Corporate Name	Additional Services	% of Remuneration (*)
PwC	Other services	25%

(*) Invoicing of additional services to invoicing of auditing services

	Yes	No
d. Indicate whether the auditing firm has used different equipment, if it has provided services additional to reviewing of accounts.	X	

Question IV.7

	Yes	No	Explanation:
a. Does the Company maintain a policy of renewal of its independent auditor or auditing firm?			The Regulations of the Board of Directors set forth the independent auditor renewal policy.
b. If such policy requires longer periods for renewal of the auditing firm, the work team of the auditing firm rotates every five (5) years maximum?	X		The Company keeps the firm, but the team must be changed at least every three (3) years.

Provide the following information on the auditing firms that have provided services to the Company in the last five (5) years.

Corporate Name of the Auditing Firm	Service (*)	Period	Remuneration (**)	% of the Income of the Auditing Firm
PwC	Audit before the deadline	2011- 2016		0.9%
PwC	Transfer prices study	2011- 2016		19%
PwC	Oversight advisory	2011- 2016		63%
PwC	Sworn affidavit assistance	2011- 2016		18%
PwC	Other services	2016		25%

(*) Include all service types, such as financial information reviews, accounting appraisals, operational audits, systems audits, tax audits and other services.

(**) Of the aggregate amount paid to the auditing firm on all accounts, indicate the percentage pertaining to remuneration for financial auditing services.

Question IV.8

	Yes	No	Explanation:
In economic groups, the external auditor is the same for the entire group, including off-shore affiliates?	X		

	Yes	No
Indicate whether the auditing firm hired to review the financial statements of the Company for the reported fiscal year also reviewed the financial statements for the same fiscal year of other companies of its economic group.	X	

If answered in the affirmative, provide the following:

Name or Corporate Name of Company (Companies) of the Economic Group	
GyM S.A.	Cam Perú S.A.
GMI S.A. Ingenieros Consultores	CAM Colombia Multiservicios S.A.S.
GMP S.A.	Viva GyM S.A
GMD S.A.	Concesionaria La Chira S.A.
CONCAR S.A.	STRACON GyM S.A.
NORVIAL S.A	CAM Holding SpA
SURVIAL S.A.	GyM Chile SPA
Concesión Canchaque S.A.C	Vial y Vives-DSD S.A.
GyM Ferrovías S.A.	Inmobiliaria Almonte S.A.C.
CAM Chile S.A.	Ecotec S.A.C.
Compañía Americana de Multiservicios del Perú S.A.	Gestión de Soluciones Digitales S.A.C.
Coasin Instalaciones Ltda	

**PILLAR V:
INFORMATION TRANSPARENCY**

Principle 28: Information Policy

Question V.1

	Yes	No	Explanation:
Does the Company have an information policy for shareholders, investors, other stakeholders and the market in general, with which it defines in a formal, orderly and comprehensive manner the guidelines, standards and criteria to be applied in handling, gathering, preparing, classifying, organizing and/or distributing the information generated or received by the Company?	X		The information policy for shareholders, investors and other stakeholders is covered by both our Investor Relations Office and by the communications made by our Stock Exchange Representative through the Relevant Facts.

a. If applicable, indicate if, according to its information policy, the Company issues the following:

	Yes	No
Objectives of the Company		X
List of members of the Board of Directors and the Senior Management	X	
Equity structure	X	
Description of the economic group to which it belongs	X	
Financial statements and annual report	X	
Others / Detail	Transactions between related parties Remuneration of the Board of Directors and the Senior Management	

	Yes	No
b. Does the Company have a corporate web page?	X	

The corporate web page includes:

	Yes	No
A special section on corporate governance or relationships with shareholders and investors, which includes the Corporate Governance Report	X	
Relevant facts	X	
Financial information	X	
By-laws	X	
Regulations of the Shareholders Meeting and information on meetings (attendance, minutes, others)	X	
Make-up of the Board of Directors and its Regulations	X	
Code of Ethics	X	
Risk policy		X
Corporate Social Responsibility (community, environment, others)	X	
Others / Detail		

Question V.2

	Yes	No	Explanation:
Does the Company have an investor relations office?	X		It is our Investor Relations Office.

If it has an investor relations office, who is the person in charge?

Investor Relations Office Manager	Samantha Ratcliffe Leiva
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If no investor relations office is in place, indicate the unit (department/area) or person in charge of receiving and handling the information requests of shareholder of the Company and the general public. If a person is in charge, include also his/her position and the area where he/she works.

Area in Charge	Not Applicable	
Person in Charge		
Full Name	Position	Area
Not Applicable		

Principle 29: Financial Statements and Annual Report

If the external auditor's report has been issued with qualifications, these have been explained and/or substantiated to the shareholders?

Not applicable

Principle 30: Information on Equity Structure and Shareholder Resolutions

Question V.3

	Yes	No	Explanation:
Does the Company disclose the ownership structure, considering the various classes of shares and, if applicable, the joint interest of a specific economic group?	X		The Company discloses such information through the SMV, where we report direct and indirect ownership.

Indicate the make-up of the equity structure of the Company as of the year-end.

Shares of Voting Stock Held	Number of Holders (as of the year-end)	% Interest
Less than 1%	1988	15.77%
1% - 5%	9	21.13%
5% - 10%	1	5.12%
More than 10%	2	57.98%
Total	2,000	100%

Shares of Non-voting Stock Held (if applicable)	Number of Holders (as of the year-end)	% Interest
Less than 1%	Not Applicable	Not Applicable
1% - 5%	Not Applicable	Not Applicable
5% - 10%	Not Applicable	Not Applicable
More than 10%	Not Applicable	Not Applicable
Total	Not Applicable	Not Applicable

Investment Shares Held (if applicable)	Number of Holders (as of the year-end)	% Interest
Less than 1%	Not Applicable	Not Applicable
1% - 5%	Not Applicable	Not Applicable
5% - 10%	Not Applicable	Not Applicable
More than 10%	Not Applicable	Not Applicable
Total	Not Applicable	Not Applicable

Treasury stock to capital stock ratio: **Not Applicable**

Question V.4

	Yes	No	Explanation:
Does the Company report shareholder agreements?	X		However, we do not have a shareholders agreement.

	Yes	No
a. Does the Company have shareholder agreements in force?		X

b. If any shareholders agreement has been reported to the Company during the fiscal year, indicate the subject matter thereof.

Election of members of the Board of Directors	Not Applicable
Exercise of voting rights at meetings	Not Applicable
Restriction to the free transfer of the shares	Not Applicable
Changes in internal or statutory regulations of the Company	Not Applicable
Others / Detail	

Principle 31: Corporate Governance Report

Question V.5

	Yes	No	Explanation:
Does the Company disclose the corporate governance standards adopted in an annual report, for the contents of which the Board of Directors is responsible, upon the report of the Audit Committee, the Corporate Governance Committee, or of an external consultant, if applicable?	X		These are communicated in the Annual Report and released to the SMV.

	Yes	No
a. The Company has mechanisms in place for internal and external disclosure of corporate governance practices.	X	

If answered in the affirmative, specify the mechanisms used

The Legal and Corporate Affairs Management is in charge of internal and external disclosure of corporate governance practices and of proposing improvements to the General Management and the Board of Directors.

SECTION C:

CONTENT OF DOCUMENTS OF THE COMPANY

Indicate in which of the following document(s) of the Company these matters are regulated.

	Principle	By-laws	Internal Regulations (*)	Manual	Others	Not regulated	Not Applicable	Name of Document (**)
1. Policy for redemption or swap of shares of non-voting stock	(**)						X	
2. Share ownership entry method and person in charge	2				X			CAVALI
3. Procedures for selection of external advisor to issue an independent opinion on the corporate operations that may affect the right to non-dilution of shareholders	3					X		
4. Procedure to receive and handle request for information and opinion of the shareholders	4		X					
5. Dividend policy	5		X		X			
6. Policies or agreement for non-adoption of anti-takeover mechanisms	6					X		
7. Arbitration agreement	7	X						
8. Policy for selection of Directors of the Company	8		X					
9. Policy to evaluate remuneration of the Directors of the Company	8		X					
10. Mechanisms to make information relative to items contained in the agenda of the Regular Shareholders Meeting and resolution proposals available to shareholders.	10		X					
11. Means additional to those provided by Law, used by the Company to give notice of meetings.	10		X					
12. Additional mechanisms for shareholders to submit proposals of items in the agenda to be discussed at a Regular Shareholder Meeting.	11		X					

	Principle	By-laws	Internal Regulations (*)	Manual	Others	Not regulated	Not Applicable	Name of Document (**)
13. Procedures to accept or reject shareholder proposals to include agenda items to be discussed at the Regular Shareholders Meeting	11		X					
14. Mechanisms allowing non-presential participation of shareholders	12					X		
15. Procedures to cast differentiated votes by the shareholders	12		X					
16. Procedures to perform in voting delegation situations	13		X					
17. Requirements and formalities for a shareholder to be represented by proxy at the meeting.	13	X	X					
18. Procedures for the delegation of votes to members of the Board of Directors or the Senior Management.	13		X					
19. Procedure to follow up on Regular Shareholders Meeting resolutions	14		X					
20. Minimum and maximum number of members to make up the Board of Directors of the Company	15	X	X					
21. Duties, rights and functions of the Directors of the Company	17	X	X					
22. Bonus types received by the Board of Directors for accomplishment of goals of the Company	17		X					
23. Policy for hiring advisory services for Directors	17		X					
24. Induction policy for new Directors	17		X					
25. Special requirements to be an Independent Director of the Company	19	X	X					
26. Criteria for performance evaluation of the Board of Directors and its members	20		X					
27. Policy for determining, follow-up and control of possible conflicts of interest	22		X					

	Principle	By-laws	Internal Regulations (*)	Manual	Others	Not regulated	Not Applicable	Name of Document (**)
28. Policy defining the procedure for assessment, approval and disclosure of transactions with related parties	23		X					
29. Responsibilities and functions of the Chairman of the Board, Executive President, General Manager, and other Senior Management officers.	24		X		X			
30. Criteria for performance evaluation of the Senior Management	24		X					
31. Policy to set and evaluate remuneration of the Senior Management	24		X					
32. Comprehensive risk management policy	25					X		
33. Responsibilities of person in charge of Internal Audit.	26		X					
34. Policy to appoint the External Auditor, term of the contract and renewal criteria.	27		X					
35. Policy of disclosure and communication of information to shareholders	28		X					

(*) Includes the Regulations of the Regular Shareholders Meeting, Regulations of the Board of Director and others issued by the company

(**) Indicate name of the document, unless it is the by-laws

SECTION D:

OTHER INFORMATION OF INTEREST⁵

Besides the special committees mentioned above, we have the following government bodies, whose operation is regulated in our General Regulations of the Board of Directors:

- Executive Commission.- The governing body made up of the Executive Presidents, Chief Executives of the Subsidiaries and the Chief Executive Officer of the Company, the purpose of which is to discuss matters of strategic importance that affect the Company and Subsidiaries as a part of the Graña y Montero Group and be a coordination body. The main functions of the Executive Commission include:

- a) Discuss the Strategic Plan of the Company and Subsidiaries
- b) Discuss the Annual Budget of the Company and Subsidiaries
- c) Discuss the Annual Investment Plan of the Company and Subsidiaries
- d) Discuss Policies and Strategies applicable to the Company and Subsidiaries
- e) Other matters of interest and relevance to the Company and Subsidiaries

- Ethics Commission.- A board in charge of promoting ethical behavior in the Group, and of evaluating and making decisions on any breach of the Ethics Charter and the Code of Conduct. The Ethics Commission provides a Manual setting the Ethical Channel Use Protocol.

In 2015, the Company and its subsidiaries approved the Anti-Corruption Policy applicable to the Group in accordance with the provisions of the Foreign Corrupt Practices Act (FCPA), which are applicable to us as a foreign company listed on the New York Stock Exchange. During 2016, compliance and prevention efforts were focused on the deployment of the Anti-Corruption Policy in the different companies of the Group and the implementation of a training plan at all levels of the organization. Thus, a virtual course on the main anti-corruption guidelines was developed, which enabled 85% of employees to be trained. These

trainings were complemented by 10 specialized courses, such as the "prevention of money laundering", aimed at employees of real estate and construction. In addition, as part of senior management's commitment to provide a clear message of zero tolerance for bribery and corruption, we include these issues in the Board's regular agenda and we have a Compliance Officer who reports to the Audit and Process Committee. At the process level, we continue to conduct a Due Diligence for mergers and acquisitions, and we disseminated the "Know Your Partner" initiative, through which 111 preventive evaluations were carried out of potential strategic partners, 13 suppliers and 9 potential recipients of donations. Along the same lines, anticorruption clauses were included in contracts and purchase orders with suppliers, and a specific procedure for donations was implemented. Since 2013, we maintain an Ethical Channel that is the main means of reporting for potential complaints, and is operated by an independent company to guarantee impartiality, transparency and confidentiality in the cases presented. In 2016, we received 34 cases, of which 26% were resolved, 59% are in investigation and 15% were declared unfounded. Since its creation, we have received a total of 211 complaints, none linked to bribery or corruption of public officials.

Lastly, we are part of the Companies Circle, an initiative launched in 2005 that brings together a group of Latin American companies who stand out for their good corporate governance practices.

⁵ Se incluye otra información de interés no tratada en las secciones anteriores, que contribuya a que el inversionista y los diversos grupos de interés puedan tener un mayor alcance sobre otras prácticas de buen gobierno corporativo implementadas por la Sociedad, así como las prácticas relacionadas con la responsabilidad social corporativa, la relación con inversionistas institucionales, etc. Asimismo, la Sociedad podrá indicar si se ha adherido voluntariamente a otros códigos de principios éticos o de buenas prácticas, internacionales, sectoriales o de otro ámbito, indicando el código y la fecha de adhesión.

INDEX OF CONTENTS GRI G4

Our Integrated Annual Report 2016 responds to the essential conformity indicators, according to the requirements of the Global Reporting Initiative – GRI G4 guidelines. The following table indicates where to find information regarding the G4 Guide on our report.

BASIC GENERAL CONTENTS

	Description	Page
Strategy and analysis		
G4-1	Statement by the main decision maker of the organization on the importance of sustainability to the company.	Page 4
Organizational Profile		
G4-3	Name of the organization	Graña y Montero S.A.A
G4-4	Main brands, products and services	Chapter "What we do"
G4-5	Place where the organization's headquarters are located	Graña y Montero's headquarters are located at: Av. Paseo de la República 4667- 4675, Surquillo, Lima.
G4-6	Countries where the organization operates	Page 8
G4-7	Nature of the property system and its legal structure	Graña y Montero S.A.A., the parent company, was legally established by Public Deed on August 12th, 1996, as part of a process of enlargement that started in Gramonvel in 1993. Its main objective is to engage in investments and commercial transactions in general, provide engineering services, management consulting, real state investments and concessions. The companies who make up the Group are limited societies, with the exception of the Graña y Montero S.A.A. holding . As at December 31st 2016 we have 2000 shareholders, among which 99.40% own less than 1% of the equity capital, and 0.45% have between 1 and 5%.
G4-8	Markets targeted by the organization	Page 8
G4-9	Size of the organization based on its number of employees, transactions, sales or net income among others	Page 10
G4-10	Number of employees by labor contract and sex	Page 78-79

G4-11	Percentage of employees covered by collective agreements	In GyM, there are 2 types of collective agreements: Federation of Civil Construction Workers and Labors Unions of each project. In 2016, the number of collective agreements were: GYM 8 works committees and 4 unions, Stracon GyM 1 work committee, CAM Chile 8 unions, and GMP 1 union.
G4-12	Supply chain of the organization	Page 125-127
G4-13	Any significant change in size, structure, share ownership or supply chain of the organization that has taken place during the analyzed period	Page 87
G4-14	The organization's approach to the principle of precaution	Page 103
G4-15	Letters, principles or other external economic, environmental and social initiatives the organization has subscribed to or adopted	We adhere to the United Nations Global Compact since 2004.
G4-16	National or international promotion associations or organizations to which the organization belongs	<ul style="list-style-type: none"> - Since 2010, we have been part of the Companies Circle, a group of Latin American companies with high corporate governance standards that belong to the Latin American Corporate Governance Round table. - We participate of the Latin American Companies Circle, an initiative supported by the International Financial Corporation that supports and shares the implementation of good practices of corporate governance with the private sector. - The Graña y Montero group is a member of AFIN, la Asociación para el Fomento de la Infraestructura Nacional , a business guild which gathers the main private companies of the public service infrastructure sector - Through GyM we belong to the Peruvian Chamber of Construction (Capeco). - Through Vial and Vives we belong to the Chilean Chamber of Construction. - Through Viva GyM we are part of the Green Building Council Peru, a socially committed organization seeking the implementation of sustainable construction in Peru. - Through GMI we belong to the Federación Panamericana de Consultores , which is attached to the Federación Internacional de Ingenieros Consultores . - Through GMP, we are part of the American Association of Petrol Geologists (AAPG), the Sociedad de Ingenieros de Petróleo (SPE) and the Sociedad Nacional de Minería y Petróleo (SNMP), whose code of conduct we adhere to and abide by. - Through GMD we belong to the Asociación Peruana de Productores de Software (Apesoft). - ADEXUS: ACTI Asociacion Chilena de Empresas de Tecnología de Información 7 A.G., AMCHAM CHILE, Cámara de Comercio Norteamericana , Cámara de Comercio de Santiago .

Material aspects and coverage

G4-17	Entities that appear in the consolidated financial statements of the organization and other similar documents	Page 7
G4-18	Process followed to determine the content of the annual report and coverage of each aspect	Page 67
G4-19	Material aspects identified during the process of defining the content of the annual report	Page 68
G4-20	Coverage of each material feature within the organization	Each material feature has a different coverage, which is developed in the management approach (DMA) of the addressed topics, throughout this report.
G4-21	Limits of each material feature outside the organization	The limits of each business area can be seen in the materiality graphs presented in this report, as well as in the development of the presented topics. This enables us to know every material feature applied internally or externally to the company.
G4-22	Consequences of the restatements of the information provided in previous reports and their causes	The definition of the indicators correspond to those mentioned in the previous report.
G4-23	Significant changes in the scope and coverage of each aspect with regard to previous reports.	In 2016 we increased the coverage of our report to include Adexus transactions.

Participation of stakeholders

G4-24	Stakeholders linked to the organization	Page 113
G4-25	Stakeholders' selection criteria	In order to define stakeholders and the subjects to be reported and managed, we undertook an aligned materiality process suggested by the Global Reporting Initiative (GRI) for each of the companies of the group comprised within this report.
G4-26	Organizational approach on the participation of stakeholders (frequency, participation in the report production process, among others)	Page 114
G4-27	Key issues and problems that have arisen from the participation of stakeholders	As a result of the stakeholders participation during the report production process, no key problems have arisen. The liaising with stakeholders can be seen in the chapter "Communication and dialogue".

Report Profile

G4-28	Period under review	2016
G4-29	Date of the last report	2015
G4-30	Cycle of report presentation	Annual
G4-31	Contact to solve any queries that may arise from the contents of the report	Legal and Corporate Affairs Management responsibilidadcorporativa@gym.com.pe
G4-32	Chosen option for the report	In agreement- essential
G4-33	Current policies and practices of the organization regarding the external verification of the report	Currently, the company has no external verification policy.

Governance

G4-34	Governance structure of the organization	Page 16-21
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Ethics and Integrity

G4-56	Values, principles, standards and regulations of the organization, such as codes of conduct or codes of ethics	Page 70-73
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CONTENIDOS BÁSICOS ESPECÍFICOS

Material Features of Graña y Montero	GRI G4 Category	GRI G4 Feature	Indicator	Description	Global Compact	ODS associate	Page
Ethical behavior	-	-	Organization's own indicator	Training percentage in the asset laundering prevention system.	Principle 2 Principle 10	-	Page 72
			Organization's own indicator	Percentage of complaints received and assessed by the Corporate Ethics Channel	Principle 4 Principle 5 Principle 10	-	Page 72
Persons' Development	Labor practices and decent work	Training and education	Generic DMA	Management approach		ODS 4	Page 76
			G4 - LA9	Average annual training hours by employee, broken down by gender, and occupational category	Principle 1		Page 83
			G4 - LA10	Skill management and continuous training programs that promote employability and help workers manage the end of their professional careers	Principle 1		Page 83-84
			G4 - LA11	Percentage of employees who are regularly assessed on their performance and their professional development, broken down by gender and occupational category	Principle 1	ODS4	Page 82

Material Features of Graña y Montero	GRI G4 Category	GRI G4 Feature	Indicator	Description	Global Compact	ODS associate	Page
		Assessment of the labor practices of our suppliers	LA-14	Percentage of new suppliers whose assessment was based on work-practice criteria	Principle 1 Principle 2 Principle 4 Principle 5	ODS8	Page 126
	-	-	Organization's own indicator	Knowledge management initiatives, number of forums and meetings organized, and number of visits to the knowledge website portal	Principle 1	ODS4	Page 132
			Organization's own indicator	Percentage of employees coming from the local community in places where significant operations are taking place	Principle 1	ODS4ç ODS1	Page 81
			Organization's own indicator	Percentage of re-categorization of operating employees	Principle 1	ODS4	Page 82
			Organization's own indicator	Mechanisms to provide a variable payment			We have a compensation policy and procedure that establishes variable payment concepts to our employees, employees, and members linked to their meeting their objectives. Among these we have a yearly bonus for executives, the project award (given to the employees who manage the project and have contributed in an outstanding manner to its development), the retention bonus for executives, among others.

Material Features of Graña y Montero	GRI G4 Category	GRI G4 Feature	Indicator	Description	Global Compact	ODS associate	Page	
Safety	Labor practices and decent work	Health and Safety at work	Generic DMA	Management approach	Principle 1	ODS 8	Page 97-98	
			Specific DMA	Management approach	Principle 3		Page 97-98	
			G4- LA5	Percentage of workers who are represented by formal health and safety committees for management and employees, established to help control and provide advice on health and safety at work programs	Principle 1 Principle 3		100% of the members of the companies belonging to the group are represented by Health and Safety Committees.	
			-	-	Organization's own indicator	Accident frequency index and number of hours worked with exposure to risk	Principle 1	
			Organization's own indicator	Road safety management initiatives with employees, users and the society at large	Principle 1	ODS3	Page 98	
The environment	The environment	Energy	Generic DMA	Management approach	Principle 7 Principle 8 Principle 9	ODS7	Page 103	
			Specific DMA	Management approach	Principle 7 Principle 8 Principle 9		Page 103-104	
			G4 - EN3	Consumo energético interno	Principle 7 Principle 8 Principle 9		Page 104	
		Emissions	Generic DMA	Management approach	Principle 7 Principle 8 Principle 9	ODS13		Page 104
			Specific DMA	Management approach	Principle 7 Principle 8 Principle 9			Page 103-104
			G4 - EN15	Direct emissions of greenhouse effect gases (scope 1)	Principle 7 Principle 8 Principle 9			Page 105

Material Features of Graña y Montero	GRI G4 Category	GRI G4 Feature	Indicator	Description	Global Compact	ODS associate	Page
		Effluents and waste	Generic DMA	Management approach	Principle 7 Principle 8 Principle 9	ODS12	Page 107
			G4 - EN23	Total waste weight according to treatment type and methods	Principle 7 Principle 8 Principle 9		Page 107
			G4 - EN24	Number and total volume of significant spillages	Principle 7 Principle 8 Principle 9		Page 108
		Suppliers' Environmental assessment	Generic DMA	Management approach	Principle 7 Principle 8 Principle 9		Page 124-126
			Specific DMA	Management approach	Principle 7 Principle 8 Principle 9		Page 124-126
					G4 - EN32	Percentage of new suppliers who were assessed according to their environmental criteria	Principle 1 Principle 2 Principle 7 Principle 8 Principle 9
	-	-	Organization's own indicator	Consumo y reutilización de agua	Principle 7 Principle 8 Principle 9		Page 106
Communication	Product responsibility	Product and service labeling	Generic DMA	Management approach	Principle 1		Page 115
			G4 - PR5	Customer satisfaction survey results	Principle 1		Page 115
	-	-	Organization's own indicator	Number of complaints from our clients	Principle 1		Page 115

* The economic performance of the company is represented as an important feature of its management, but is not aligned to the strategy of sustainability.

SUSTAINABILITY CORPORATE REPORT

SUPERINTENDENCIA DEL MERCADO DE VALORES

(SMV/SUPERINTENDENCE OF THE SECURITIES MARKET)

REGISTERED COMPANY NAME:

Graña y Montero S.A.A

YEAR:

2016

WEBSITE:

www.granaymontero.com.pe

**REGISTERED COMPANY NAME OF
THE COMPLIANCE MONITORING FIRM:**

- Asociación Peru2021
- Global Reporting Initiative

SECCIÓN A:

IMPLEMENTATION OF CORPORATE SUSTAINABILITY ACTIONS

Question A.1

	Yes	No	Explicación
Has the company voluntarily adhered to standards of good practices in Corporate Sustainability?	X		<p>We are an Engineering and Infrastructure Group committed to the sustainable development of the countries in which we operate. Through our business, we seek to create value in the long term for our different stakeholders, and we believe this will only be possible if we guarantee economically feasible, socially beneficial, environmentally safe results.</p> <p>In January 2016, the Group's Board of Directors approved our Corporate Sustainability Policy, which is an update and consolidation of the previous Environmental Policy (1998), Risk Prevention Policy (1999) and Corporate Social Responsibility Policy (2005). This important document establishes clear guidelines and commitments on the seven most important aspects of our sustainable management, which were determined based on an assessment of our risks and impacts on stakeholders.</p>

If the answer is yes, indicate the standard and compliance date:

Standard	Compliance date
United Nations Global Compact	2004
Companies Circle	2010
Principles of Good Corporate Governance of the SMV	2008

If sustainability reports other than this report are prepared, indicate the following information:

These reports are prepared:	YES	NO
Voluntarily	X	
Due to investor requirements	X	
Due to requirements by public institutions		X
Other (list):		

These reports are available through:

Superintendence of the Securities Market (SMV) portal	X
Corporate website	X
Social networks	X
Other:	Printed

Question A.2

	Yes	No	Explanation:
Does the company have a corporate policy that covers the impact of its activities on the environment?	X		<p>We have a Sustainability Corporate Policy that includes the environmental dimension.</p> <p>It explicitly states, We respect and protect our environment using a preventive approach. Hence, we implement the best management practices to reduce the environmental impact of our operations and services, promoting a responsible culture towards our environment and generating engineering solutions that improve the environmental performance of our clients and of our society.</p> <p>In addition, on an annual basis, we publicly disclose our environmental performance and investment in designs, projects and technologies that produce environmental benefits for society.</p>

a. If your answer to question A.2 is yes, indicate the company document which regulates the policy and the body that approves it.

Document	Body
Sustainability Corporate Policy	Board of Directors of the Graña y Montero Group and subsidiaries
Ethics Charter	Board of Directors of the Graña y Montero Group
Code of Conduct	Board of Directors of the Graña y Montero Group

b. Does the company quantify greenhouse gas emissions produced by its activities (carbon footprint)?

Yes	No	If your answer is yes, indicate the results obtained:
X		During 2016, the Graña y Montero Group produced 203,907 tons of CO2 eq. calculated under scopes 1 and 2. For further details, see pages 106 of the 2016 Annual Report.

c. Does the company quantify and document the total amount of energy used in its activities?

Yes	No	If your answer is yes, indicate the results obtained:
X		During 2016, the Graña y Montero Group consumed 115.8 million kWh of electrical energy and 15.3 million gallons of fuel. See page 105 of the 2016 Annual Report.

d. Does the company quantify and document the total amount of water used (water footprint) in its activities?

Yes	No	If your answer is yes, indicate the results obtained:
X		During 2016, the Graña y Montero Group consumed 1.6 million cubic meters of water. See page 107 of the 2016 Annual Report.

e. Does the company quantify and document waste produced as a result of its activities?

Yes	No	If your answer is yes, indicate the results obtained:
X		During 2016, the Graña y Montero Group produced 48,827 tons of solid waste. See page 108 of the 2016 Annual Report.

Question A.3

	Yes	No	Explicación
Does the company have a policy to promote and ensure its workers' fundamental principles and rights in the workplace? ¹	X		<p>We have a Sustainability Corporate Policy that includes our position and commitment with regard to our employees.</p> <p>It states, "Our employees are the foundation of our success and our most important asset. Therefore, we seek their professional and personal growth, developing the competencies necessary for achieving their potential, within the framework of our corporate values, with respect for human rights and rejecting any form of discrimination."</p>

a. If your answer to question A.3 is yes, indicate the company document which regulates this policy and the body that approves this document.

Document	Body
Sustainability Corporate Policy	Board of Directors of the Graña y Montero Group
Ethics Charter	Board of Directors of the Graña y Montero Group
Code of Conduct	Board of Directors of the Graña y Montero Group

b. Does the company keep a record of work-related accidents?

Yes	No	If your answer is yes, indicate the area responsible for keeping the record and to whom the area reports.	
X		Area responsible	Reports to
		Corporate Operations	Corporate General Manager
		Risk Prevention area of each subsidiary	General Manager of each subsidiary

¹ According to the International Labor Organization (ILO) Declaration on Fundamental Principles and Rights at Work, the principles and rights fall into the following four categories: (i) freedom of association and the effective right to collective bargaining, (ii) the elimination of forced or compulsory labor, (iii) the abolition of child labor and, (iv) the elimination of discrimination in respect of employment and occupation.

c. Does the company have a training plan for its workers?

Yes	No	If your answer is yes, indicate the company body that approves the plan and the frequency with which adherence to the plan is evaluated:	
X		Body	Evaluation frequency
		Graña y Montero Academy	Annually
		Corporate Human Resources	Annually

d. Does the company take surveys or make evaluations regarding the work environment?

Yes	No	If your answer is yes, indicate the results obtained:
X		The average general satisfaction level for the Group was 76%, according to the 2016 Great Place to Work Peru study.

Question A.4

	Yes	No	Explanation:
Does the company have a policy that establishes basic guidelines for its relations with the communities with which it interacts?	X		The Sustainability Corporate Policy covers relations with the communities with which the company interacts. We are committed to contributing to their welfare, especially through skill development building and the promotion of citizen behavior

a. If your answer to question A.4 is yes, indicate the company document which regulates this policy and the body that approves this document.

Document	Body
Sustainability Corporate Policy	Board of Directors of the Graña y Montero Group
Ethics Charter	Board of Directors of the Graña y Montero Group
Code of Conduct	Board of Directors of the Graña y Montero Group

b. Has the company encountered social conflicts (strikes, marches, etc.) in the community where it conducts its main activities as a consequence of its operations?

Yes	No	If your answer is yes, explain the impact of these social conflicts on the Company's activities.
	X	

c. Does the company work in collaboration with the community in the joint creation of value, including the identification and solution of the main problems they have in common?

Yes	No
X	

d. Does the company invest in social programs in the community where it conducts its main activities?

Yes	No	If your answer is yes, indicate the percentage the investment in such programs represents with regard to gross revenue according to the Company's financial statements:
X		(%) Gross Revenue
		0.05%

Question A.5

	Yes	No	Explanation:
Does the company have a policy that establishes basic guidelines for managing supplier relations?	X		Our Code of Conduct, Sustainability Corporate Policy and Anticorruption Policy establish guidelines for our relations with suppliers. Some of the main topics covered are adherence to ethical standards, rejection of any act of corruption, and compliance with safety, quality and environmental standards.

a. If your answer to question A.5 is yes, indicate the company document which regulates this policy and the body that approves this document.

Document	Body
Sustainability Corporate Policy	Board of Directors of the Graña y Montero Group
Anticorruption Policy	Board of Directors of the Graña y Montero Group
Code of Conduct	Board of Directors of the Graña y Montero Group

b. Does the company keep an updated list of its suppliers?

Yes	No	If your answer is yes, indicate the area responsible for keeping it updated and the body to which the area reports.	
X		Area responsible	Reports to
		Logistics area of each subsidiary	General Manager of each company

c. Does the company have a criterion for supplier selection that covers ethical matters and compliance with labor legislation?

Yes	No
X	

d. Does the company have a procurement or hiring policy on selecting suppliers that adhere to sustainable or environmental management standards?

Yes	No	Explicación:
X		Durante el 2016, las empresas subsidiarias del grupo que aplicaron procesos de homologación o evaluaciones de estándares de sostenibilidad, fueron CONCAR, GMD, GMP, Morelco y CAM Chile.

Question A.6

	Yes	No	Explanation:
Does the company have a policy that establishes basic guidelines for managing customer relations?			Our Code of Conduct and Sustainability Corporate Policy establish guidelines on our customer relations. Some of the main topics covered are adherence to ethical standards, the confidentiality of information, compliance with safety and quality standards, delivery before the due date, and reliability in business relations, among others.

a. If your answer is yes, indicate the company document which regulates this policy and the body that approves this document.

Document	Body
Sustainability Corporate Policy	Board of Directors of the Graña y Montero Group
Code of Conduct	Board of Directors of the Graña y Montero Group
Ethics Charter	Board of Directors of the Graña y Montero Group

b. Does the company keep an updated log of customer complaints?

Yes	No	Si, especialmente en nuestras empresas subsidiarias que trabajan con clientes B2C	
X		Area responsible	Reports to
		Customer Service (Lima Metro Line 1)	Gerencia de Relaciones Institucionales Institutional Relations Manager
		Customer Service (Viva GyM)	Social Management Manager

c. Does the company have regular channels for dealing with the public and for receiving suggestions and complaints related to the products and services it provides?

Yes	No
X	

d. Has the company received any recognition for the quality of its customer service?

Yes	No
	X

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SECTION B:

DETAILS OF ACTIONS IMPLEMENTED BY THE COMPANY

This section details the Company's stakeholders and the actions implemented during the year in relation to the impact of its operations on social development (labor practices, community and customer relations, and product liability) and the environment (materials, energy, water, emissions, effluents and waste), complementing the information provided in Section A.

See the "How We Do It" chapter, starting on page 78 of the 2016 Annual Report.