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SOCIO-ENVIRONMENTAL
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BUILDING SUSTAINABILITY

2007 has been a transformative year. We now provide direct employment opportunities to over 8,700 individuals, and have an increased geographical presence with seven operating mines and five development projects throughout the Americas. This reinforces our need to emphasize the importance of our people and our sustainability programs. Quality people are the foundation of Yamana's continued success, and are our most valuable asset. We are in a world in which the scarcest and most valuable resource is our human resource. Our obligation to our people is to create a safe environment at every opportunity, concentrate on minimizing our impact on the environment, and ensure we always respect the local communities in which we operate.

We remain focused on minimizing risk for both our employees and the environment. This is demonstrated by the implementation of the Yamana Management System (SYG) this year, which is based on the highest international standards. It integrates health & safety, environmental, community relationship and operational practices at all levels of the organization. Already several projects have been developed to continue minimizing environmental impacts, and we have seen considerable improvement in our accident prevention practices this year.

Business and operations decisions should be guided by concern for the natural environment. Sustainable mining requires friendliness to our environment. This year, we successfully reduced operational energy consumption, and continued with our Air and Water Monitoring Programs as well as our Solid Residues Management Program. Although we are proud of our track record, we are dedicated to minimizing our environmental impact also.

The need for excellence leads us to constantly strive to establish and achieve more ambitious goals. In 2008, we plan to explore new programs to reduce our carbon emissions and consumption, and have imposed another new set of environmental targets for ourselves. We are focused on designing realistic environmental programs that minimize our impact while ultimately investing in the sustainability of the environment for future generations.

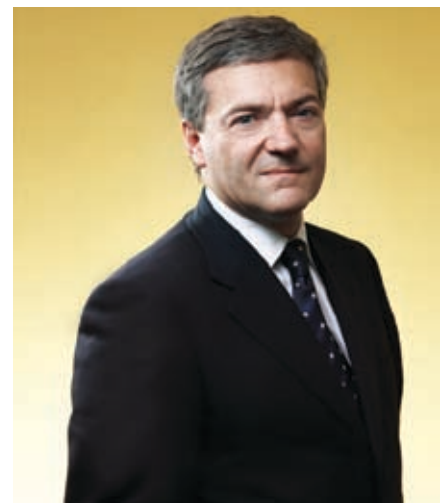
We also support local communities in which we work by making a concerted effort to hire locally and contribute to the local economy. We have increased our community relations practices to ensure our place amongst the world's leading gold producers. Social license is important to us. Two years ago, we initiated Partnership Seminar Program, which accepts project

from the communities around our mining operations to help support educational, environmental, cultural, economic and health projects. In 2007, this program was developed in five Yamana Gold units in eight municipalities, resulting in 44 projects selected by the communities themselves.

Applying rigorous social, health and safety and environmental standards and policies to our business operations is the key to sustainability at Yamana. Sustainability is a long-term view that requires commitment and awareness. We are committed to operating in a socially and environmentally conscious manner and for the betterment of local communities.

Peter Marrone

Chairman and CEO



REPORT STRUCTURE

This second sustainability report has been structured on the basis of quantitative indicators of the Social Balance Sheet following the IBASE (Brazilian Institute for Social and Economic Analysis) model, on qualitative sustainability indicators, and on other specific models in the mining segment issued by Ethos Institute, which in turn are based on the United Nations Global Pact and Global Reporting Initiative (GRI). Ethos Institute is a non-governmental organization whose mission is to mobilize, encourage and help companies manage their business in a socially responsible way, making them partners in building a sustainable and fair society.

The report sets out the practices implemented by Yamana in 2007 and our targets for 2010, which demonstrate the challenges we face and our commitment to sustainability, which covers all the areas in which we are active and engages all the various groups with whom we relate.

Each of the themes outlined below is briefly described with emphasis on the instances which best illustrate our economic and socio-environmental performance. The information presented in this report was obtained through surveys conducted by our personnel at all units of the company and is presented in four chapters:

COCHLOSPERMACEAE
found in Santissima
Trindade, Mato Grosso



COMPANY PROFILE

Describes the company's field of activities, the location of the operational and developing units, and the general characteristics of the operational units.

CORPORATE GOVERNANCE

Describes the governance structure which is the basis for the company's activity displayed in its Mission, Vision and Values, its Socio-environmental Responsibility Policies, Code of Conduct and Ethics, Insider Trading Policy, and Share Dealing Code. This structure provides the foundation for the Yamana Integrated Management System, which aims at sustainability through Business Performance and Socio-economic Performance.

BUSINESS PERFORMANCE

Involves the main financial results in the period and sets out our relationship with suppliers and our performance in corporate citizenship.

SOCIO-ENVIRONMENTAL PERFORMANCE

Sets out the way in which the Yamana Management System (SYG) is being implemented at each operating unit, gearing to integrate our activities in the areas of Environmental Management, Occupational Health and Safety, Social Responsibility, and Relationships with Community and Stakeholders. Finally, we set out Our Goals and Objectives in the SYG context.

GROWING OPPORTUNITIES

With operations and projects in Brazil, Argentina, Chile, Mexico, Central America, and the United States, Yamana is active in gold production, with significant volumes of copper and silver. Among the company's plans are expansion of its existing mines and searching for new opportunities in the Americas. Yamana is also a minority partner in the Rossi mine in the United States and the Alumbreira mine in Argentina.

DESCRIPTION OF OPERATIONS			
COUNTRY	UNIT	TYPE OF OPERATION	OUTPUT (OUNCES), 2007
BRASIL	<i>São Francisco</i>	<i>Open pit mine</i>	104,764
	<i>Jaconina</i>	<i>Underground mine</i>	54,076
	<i>Fazenda Brasileiro</i>	<i>Open pit mine</i>	87,969
	<i>Bacilândia</i>	<i>Open pit mine</i>	6,925
	<i>Chapada</i>	<i>Open pit mine</i>	178,125 oz Au - 122,9 lb Cu
CHILE	<i>Florida</i>	<i>Underground mine</i>	12,788
	<i>El Peñón</i>	<i>Underground mine</i>	77,340
HONDURAS	<i>San Andrés</i>	<i>Open pit mine</i>	51,538
ARGENTINA	<i>Alumbreira (12,5%)*</i>	<i>Open pit mine</i>	20,396
USA	<i>Rossi (40%)*</i>	<i>Underground mine</i>	3,383

*Mines where Yamana holds a minority stake with no operating function

LOCATION OF OPERATIONS AND PROJECTS IN DEVELOPMENT AND ADVANCED EXPLORATION



OPERATIONS

Chapada (Brazil)

São Francisco (Brazil)

Jacobina complex (Brazil)

San Andrés (Honduras)

Fazenda brasileiro (Brazil)

El Peñón (Chile)

Florida(Chile)

Fazenda Nova (Brazil)

DEVELOPMENT AND EXPLORATION

Gualcamayo (Argentina)

São Vicente (Brazil)

C1 Santa Luz (Brazil)

Pau a Pique / Ernesto (Brazil)

Agua Rica (Argentina)

Mercedes (Mexico)

Jeronimo (Chile)

Pilar de Goiás (Brazil)

Almancaya (Chile)

La Pepa (Chile)

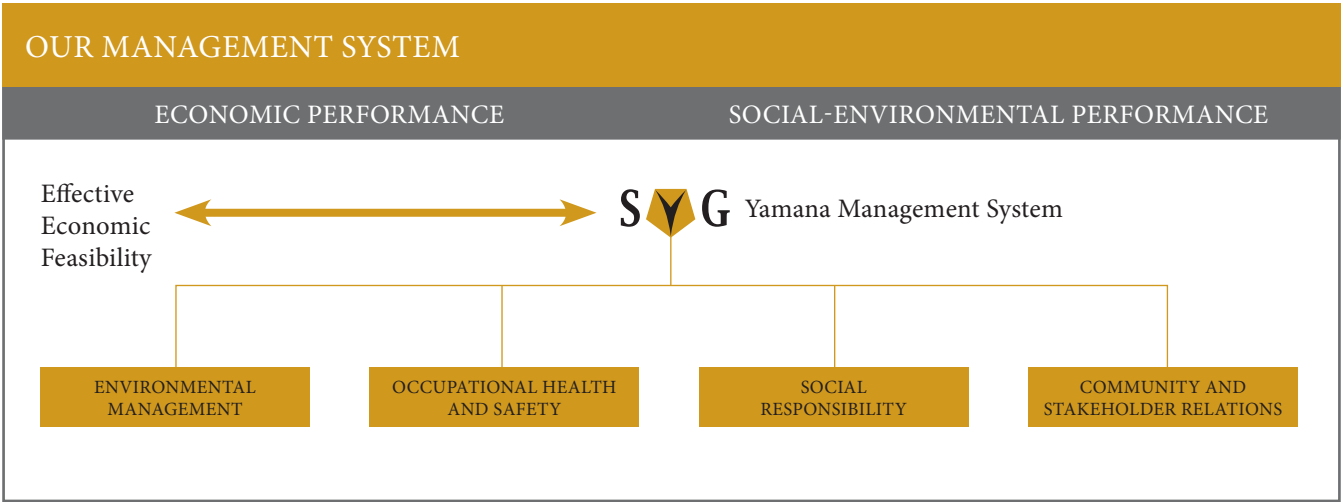
Millo (Peru)



CACTUS found in Santa Luz, Bahia, where the E1 project is located

GUIDING PRINCIPLES

Transparency, responsibility, and integrated management are the principles guiding Yamana’s strategic actions. Each one of our units has tactical and operational decision-making autonomy, giving due recognition to local leaderships and regional differences having a bearing on the overall corporate directives.



OUR MISSION

Yamana's mission is exploration and gold mining, ensuring a return on shareholders' investments, while respecting the principles of health, safety and environment, providing personnel and the community with an improvement of their quality of life.

OUR VISION

We wish to be recognized in 2008 as a company which:

- *Prioritizes Safety, Health and the Environment;*
- *Displays operational excellence in our Management System;*
- *Meets growth targets for output and for gold reserves in accordance with market requirements;*
- *Guides all corporate actions in accordance with the principles of sustainable development;*
- *Excels in basing our relationships on ethical values;*
- *Participates in the development of the communities in which we are active;*
- *Extends due recognition to the performance of our personnel;*
- *Guides actions towards becoming one of the best companies to work for;*
- *Establishes long-lasting business relationships;*
- *Provides shareholders with a return on their investments*

OUR VALUES

Our values reflect our way of caring for the well-being of shareholders, clients, communities and personnel, through actions that express our beliefs. Our overriding values are:

- *Ethical Approach*
- *Respect for Human Beings and the Environment*
- *Uprightness of Character*
- *Innovation*
- *Learning from one's own mistakes*
- *Continuous improvement*
- *Transparency*
- *Accountability*

OUR CODE OF CONDUCT AND BUSINESS ETHICS

Our actions are based on the guidelines stated in our code of conduct and business ethics. The purpose of this code is to ensure even-handedness and transparency in all our business dealings. Additionally, we are signatories of the Insider Trading Policy and the Share Dealing Code. Just as with every publicly quoted company whose shares are traded on the Toronto and New York exchanges, we are in full compliance with the Sarbanes-Oxley Act (SOX), which requires, among other things, accountability and transparency in financial statements. Thus, the need to adopt effective internal monitoring and control procedures.



GAINING MARKET SHARE

In 2007, Yamana increased its share of the world market with the acquisition of the assets of Meridian and Northern Orion, extending its reach to eight countries, with seven mines in operation, three new projects in development, and six feasibility studies underway. In the same period,

the company fulfilled its production target with an output of 597,304 ounces of gold and 201,339 metric tons of copper concentrate. Net sales income increased in 2007 as a result of acquisitions, new units being brought on stream, and operating performance

INDICATORS	2007	2006
NET INCOME	US\$ 747.1 million	US\$ 169.2 million
OPERATING PROFIT	US\$ 384.6 million	US\$ 35.0 million
PAYROLL (Gross)	US\$ 67.8 million	US\$ 35.2 million



RELATIONS WITH SUPPLIERS

Yamana's relations with its suppliers are governed by standards of socio-environmental responsibility and ethical values that guide our actions.

All our contracts with suppliers of goods and services are in full compliance with legislation governing environmental and employment rights, and are monitored by contract managers, from presentation of the initial proposal, up to effective provision of the respective services or supply of goods.

Also seeking further economic development in the local communities within which it is active, Yamana's purchasing departments give preference to locally established goods and services suppliers. Outstanding examples of this are the mining operations at São Francisco, El Peñón and Minera Florida, where local or regional suppliers provide over 60 percent of services used. At the Gualcamayo Project in Argentina, for example, close to 80 percent of purchasing is done locally.

Because suppliers are such an important part of the production chain, Yamana also focuses its efforts on them in the form of solid and efficient partnerships aiming at the improvement and the inclusion of suppliers in our policies and practices. This task calls for constant participation of our suppliers in integration programs, safety programs, environmental management and company policy.



PLANT FOUND in
Vila Bela da Santíssima
Trindade, Mato Grosso

INVESTMENTS

Outstanding among Yamana's main investments in 2007 are increased productivity and spending on social and environmental conservation programs, as is shown in the Socio-environmental Performance described below. Total spending on Safety, Health, Environment and Communities in Brazil in 2007 amounted to US\$ 11.6 million.

PROFIT SHARING

Yamana gives its personnel at every operating unit a share in the profits earned by their activities. This benefit may yield to company personnel up to two-and-a-half times their monthly salary in the form of Profit Sharing. Last year in Brazil the amount shared out amounted to approximately US\$ 3.2 million.

VALUE ADDED STATEMENT

The company's effective contribution to creation of wealth in the economy in which it is active may be shown by the distribution of its value added. In 2007 Yamana's operations in Brazil achieved the following distribution of value added to players who produced it and led to the company's sustainability:

DISTRIBUTION OF VALUE ADDED (DVA) IN 2007

18% government (taxes paid at federal, state and municipal levels)

11% personnel (wages and salaries, social security contributions, benefits, profit sharing)

11% shareholders (total dividends payments)

57% third parties/lenders (remuneration paid in the form of interest)

2% withheld (profit withheld or loss incurred in the period)

HIGH MANAGEMENT STANDARDS

The Yamana Management System (SYG) was introduced in 2006, on the basis of international management standards: OHSAS 18001 governing Occupational Health and Safety; ISO 14001 on the Environment, and SA-8000 on Social Accountability, to establish corporate policies, standards and goals.

Yamana began implementation of the SYG in March 2007. In December of that year, an audit was carried out at all operations, when it was found that compliance with the system had achieved a level of 70.5 percent.

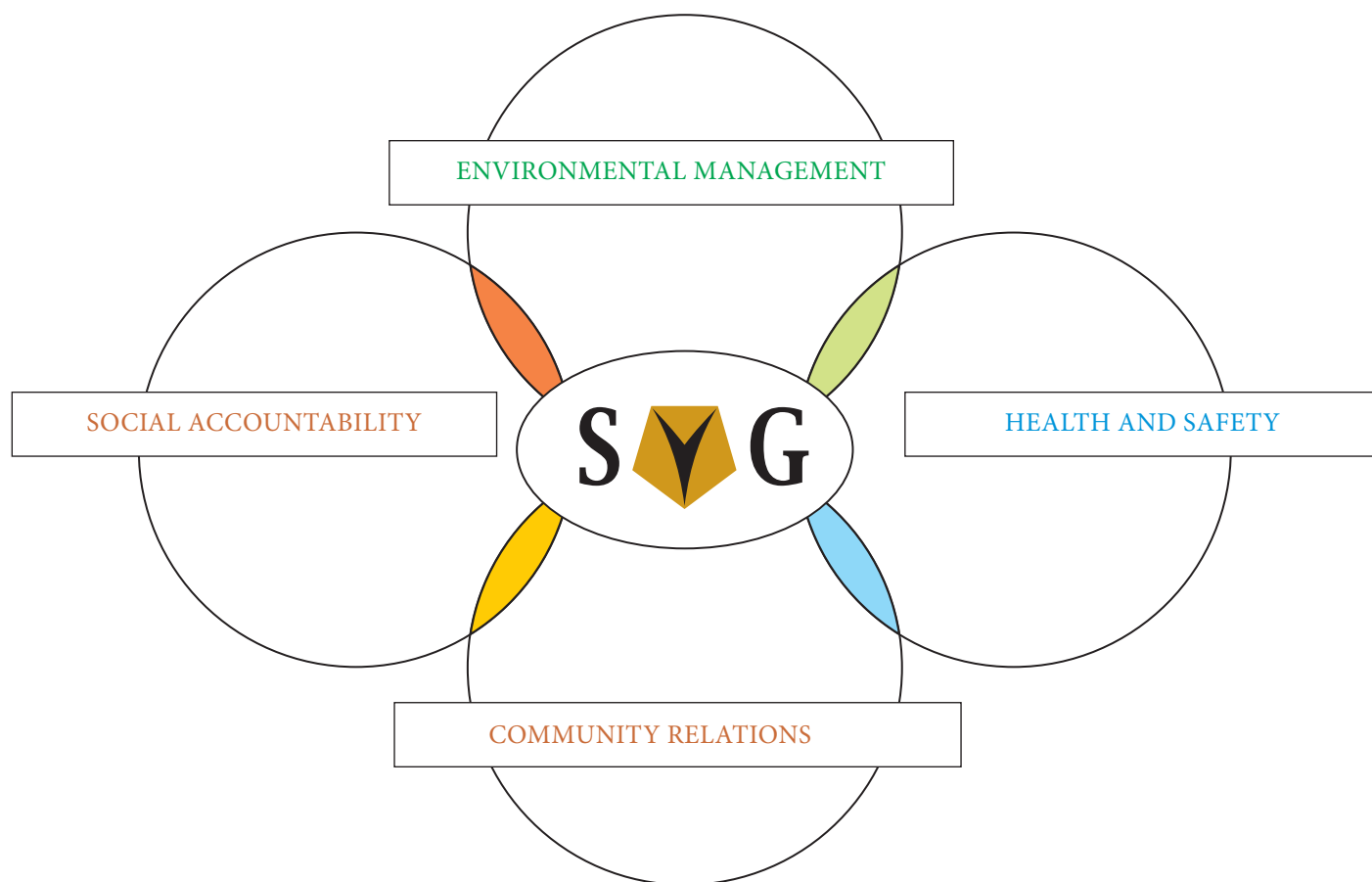
In the same year, in connection related to SYG, Yamana initiated the adaptation of its facilities and procedures to comply with requirements of the International Cyanide Code and subsequent certification, forecast for 2008/2009.

Minera Florida in Chile also introduced an integrated system, obtaining ISO 9001 and 14001 and OHSAS 18001 certification.

The challenge for 2008 will be to finalize implementation of the system at all operations in Brazil and Honduras while advancing in the process at other mine

sites. The company also intends to obtain ISO 14001 certification for its Environmental Management Systems at its Jacobina, Chapada, São Francisco and San Andrés mines, in addition to OHSAS 18001 certification for Occupational Health and Safety Management at Fazenda Brasileiro and El Peñón, both of which already hold ISO14001 certificates.

Yamana makes available to its operating units an electronic system with all applicable legal requirements at federal, state, and municipal level, updating them constantly.





*ORCHID FOUND in the
region of Jacobina, Bahia*

SOCIO-ENVIRONMENTAL PERFORMANCE



THE ENVIRONMENT

At Yamana, we are committed to managing our business and processes, in compliance with applicable requirements, focused on sustainable development and adopting best environmental practices in all gold mining activities in Latin America, including exploration, research, processing, and production, in accordance with the following principles:

- Management of solid waste in such a way as to keep volume to a minimum and to enable recovery wherever possible, minimizing environmental pollution.
- Promoting rational water use, minimizing consumption of new water and recycling industrial waters; providing suitable treatment of all effluents and discharging it into the environment only the effluents that meet standards established in the relevant legislation.
- Controlling atmospheric emissions from our processes, reducing air pollution to a minimum.
- Managing the use of chemicals so as to avoid any contamination of the environment.
- Adopting proven practices in engineering, operations, and maintenance in all projects and developments and in the reclamation of areas affected by our mining processes or activities, for the purpose of minimizing the direct impact on forests, rivers, springs, vegetation and wildlife, while reducing the number of major industrial accidents.
- Continually improving the performance of our Environmental Policy by setting up and regularly reviewing goals, objectives, and improvement plans. Holding management and technical reviews as well as periodic checks and audits.

*QUARESMEIRA FOUND in
the region of Jacobina, Bahia*



SOCIO-ENVIRONMENTAL PERFORMANCE

OUR PRACTICES

To guarantee the safety of its operational procedures and in our aim to achieve sustainability, Yamana invests in: monitoring water, air and soil quality; solid waste management; effluent treatment; environmental assessments; environmental education programs for our personnel; ecological awareness campaigns and socio-environmental education for the community.

Indicators on the consumption of natural resources such as electrical power and fossil fuels and the volume of waste generated at operating sites are constantly monitored in order to achieve the programmed annual reductions. In 2007, the company introduced a baseline covering the consumption of natural resources and the output of waste, based on, which future indicators will be calculated.

ENVIRONMENTAL PERFORMANCE INDICATORS	CONSUMPTION IN 2007	REDUCTION GOALS FOR 2010*
Power consumption (million kwh)	340,318.00	down 10% from 2007
Power consumption (thousand kwh per ton of mine output)	6.33	
Fossil fuel consumption (thousand tons)	28,525.00	
Fossil fuel consumption (per ton of output)	0.53	
Volume of mine output (million tons)	53,739.62	

*Reduction based on 2007 outturn ** Tons are metrics tons (2,204.6 pounds) Diesel oil is assumed to have a specific gravity of 0.9 *** Kton = 1000 tons

In addition to setting targets for reducing waste and consumption of natural resources, Yamana Gold also sets annual targets for reclamation of areas where mining has been discontinued and at three-year intervals reviews its plans for the closure of each unit. In 2007, these goals yielded the following results:

INDICATOR	GOAL	FULFILLMENT
Reclamation of mining sites	20% of available areas	Over 250%
Decommissioning plans	Reviewed every three years	100%

RATIONAL WATER USE

Every Yamana operation carries out, at regular intervals, monitoring and control of effluents, assessing the quality of surface and groundwater, thus ensuring control of the operating activity on the environment.

The wide-ranging monitoring system enables reuse, recovery, and effective treatment of process waters when discharge is needed, in full compliance with both Yamana Standards and with the requirements of the Environmental Legislation.

RATIONAL ENERGY USE

Energy, like water, is under full control at operating units and in internal work procedures, resulting in a reduction of consumption in the company's operations. Yamana Gold has invested in



automatic systems, especially at its underground mines, aiming at reducing consumption and ensuring rational use of water. Additionally, technical management procedures are conducted in a planned manner, such as: closely monitoring energy use and optimization of all mining equipment in operation. These actions have resulted in greater reduction of power consumption. The greatest progress in energy saving activities has been at São Francisco, Fazenda Brasileiro and Minera Florida.

ENVIRONMENTAL AWARENESS

Yamana conducts socio-environmental campaigns targeting both personnel and local communities, covering issues such as the encouragement of selective waste disposal, in addition to participation in seminars, workshops, lectures at schools, and public presentations to discuss Yamana Gold's actions and programs in Health, Safety, the Environment, and Communities.

The Jacobina Complex has conducted campaigns for waste reduction in connection with a selective waste collection program with personnel, their family members and the local community. At Minera Florida, environmental awareness begins within the company in the form of campaigns to preserve nature, to separate waste and to reduce energy and water consumption. Educational concerns are transmitted to the local community in the form of support for environmental activities at schools and waste recycling activities in the community.

NATIVE SEEDLINGS being planted in waste rock dumps at Santo Andrés Miner in Honduras



CARING FOR THE ARCHEOLOGICAL HERITAGE

Yamana operates programs for the identification, study, recovery, monitoring, and conservation of archeological heritage. For example, artifacts recovered from the Chapada and São Vicente mines are now on display at museums in Porangatu, Goiás, and Vila Bela da Santíssima Trindade, Mato Grosso.

LAND USE AND RECLAMATION

Yamana has plans for reclamation of mining sites in all its operations. The company has set as its target the reclamation of at least 20 percent of recoverable areas. Environmental reclamation plans are also implemented in areas where geological research has taken place.

Native species are used in all environmental reclamation projects. Thus, the company seeks to recreate, in every region where it operates, the same natural conditions prevailing prior to its arrival at the site. Among the company's actions in this area, special note should be given to the plant nursery at Fazenda Brasileiro mine with its native species of the "caatinga" region. With production capacity of 100,000 seedlings a year, the supports support reforestation at sites where mining has been discontinued and provides donations to the community.

ATTENTION TO BIODIVERSITY

In all of its units, the company maintains preservation areas in the surrounding woodlands, in accordance with environmental legislation. The company monitors and helps protect animal and fish species, transplants protected woodland species and builds corridors for the safe passage of land animals around tailings dams. Concern for animal safety and welfare is

CHIPPED FLINT spearhead, about 8,000 years old, discovered at Mineração Maracá and currently on display at the Porangatu Museum in Goiás

particularly evident in ore processing areas where protection systems such as screens, fences, and visual and audible equipment to maintain birds at a distance are in place.. Examples of this may be observed at the São Francisco, Bacilândia, Serra da Borda and El Peñón mines.

CLOSURE PLAN

Closure plans for mines are kept under assessment from the moment a new mine is opened until its final closure. These plans detail all actions to be executed throughout the useful lifetime of the development and continues until five years after closure, for the purpose of minimizing effects caused by mining activities. The plan encompasses not only environmental aspects, but also social aspects arising from the operation. The Closure Plan for each unit is updated every three years, when costs and technical specifications are reviewed according to advancements in of operations at each location.

At the Bacilândia Mine, currently in the closure stage, 22 hectares of land have been replanted using the water seeding method, where previously there had been nothing but heaps of barren waste. Surface waters are monitored at twelve points, including effluents, where treatment takes place before discharge. Management and disposal of solid waste that is still being produced at the site are conducted periodically in accordance with corporate standards and environmental legislation. At the San Andrés Mine, for instance, the Closure Plan foresees the need to develop alternative programs for job creation to provide income for the local population.

EMISSION CONTROL AND FOSSIL FUEL CONSUMPTION

At the São Francisco, Chapada, Fazenda Brasileiro and Jacobina Complex mines, water sprinkler systems are used in the greatest sources of dust. Also at these units, monitoring is undertaken to control smoke emissions from vehicles owned both by the company and others, for the purpose of establishing whether the vehicles and machinery are operating with their engines adequately tuned.

SOLID WASTE MANAGEMENT

Solid waste management is currently at the implementation stage at operating units. The current situation shows that some operations are at a more advanced stage of implementation. Beginning with a selective collection of waste, the process covers all stages up to and including transportation, compacting, temporary storage, decisions on final disposal, comparative studies of waste production by area, and external transport. The selection of a company to conduct final disposal of waste is carried out in accordance with procedures in full compliance with the current legislation, meaning that each company needs to be duly licensed to handle such waste disposal.

Awareness campaigns are carried out at all units. Special note may be given to the Gualcamayo Project, located in San Juan province in Argentina, where reusable and recyclable waste is exchanged among neighboring communities for school books, classroom supplies and food.

BEFORE waste rock dumps contoured



AFTER reclaimed area after revegetation



BEFORE open pit at the San Andrés mine in Honduras



AFTER reclaimed open pit after topographic re contoured and revegetation



OCCUPATIONAL HEALTH AND SAFETY

Among Yamana's activities in Latin America, in the fields of exploration, mining, processing, and gold production, no task is so important or urgent that it may be carried out without proper safety measures. It is our belief that every accident and occupational disease can be prevented. We encourage all our personnel to abide by the following principles:

- Leadership in furtherance of occupational health and safety management.
- Preventive measures to control and reduce all risks inherent in working processes.
- No tasks to be performed without proper safety and health precautions.
- Adequate training of all personnel and instruction in the use of safety equipment and risk prevention at work.
- Design, construction, use and maintenance of safe and clean installations and equipment suitable for human needs.
- Compliance with relevant legislation and other agreed requirements.
- Full investigation of all accidents, incidents and any infringement of occupational health and safety regulations.
- Continuous improvements to occupational health and safety performance based on defining and reviewing goals, objectives and improvement plans.
- Maintenance of industrial hygiene and ergonomics programs to reduce adverse effects of harmful agents.
- Carrying out management and technical reviews in addition to periodical audits and checks.





OCCUPATIONAL HEALTH AND SAFETY

IN PRACTICE

THE IMPORTANCE OF OCCUPATIONAL HEALTH AND SAFETY

The health and safety of our personnel is a priority at Yamana. Health and safety together account for nine of the company's main goals for the elimination of accidents in the workplace and occupational disease. To achieve these goals, we introduced a Daily Safety Dialogue (DSD) with personnel. Additionally, managers provide guidance at their Weekly Safety Interaction.

At each unit, we encourage the practice of five steps in a personal work agenda. Everyone should to think about the task to be executed, study the danger, assess the risk, correct the task if danger is identified, and execute the task safely.

The program has been accepted with considerable success among personnel due to its preventive nature. Easily assimilated, the initiative has the advantage of making everyone aware of potentially hazardous situations, leading them to adopt routine work procedures that involve increasingly higher levels of safety. Apart from avoiding accidents at work, the five-step agenda also improves the effectiveness of production.

All operations have their Occupational Health Medical Control Programs (OHMCP), created and run by occupational health specialists in accordance with legislation.





PREVENTION AND HEALTH PROMOTION

Every unit carries out campaigns, such as periodical check-ups and vaccinations against yellow fever, influenza, tetanus, and other viral infections. The total number of vaccinations given to Yamana personnel in Brazil in 2007 amounted to 3,514. Additionally, counseling is given on AIDS prevention, heart disease, obesity, high blood pressure, alcoholism and smoking. An exercise program in the workplace is currently being implemented. The purpose of this physical activity is to prevent occupational illnesses and to promote well-being, enabling personnel to have an improved quality of life. Value Our Gold: You!" With a range of activities that focus on achieving a balance between the physical, mental, and social aspects of the work environment, the program aims at enhancing quality of life, providing a healthy work environment, and promoting personal growth.

Carried out in two stages, the "We Value Our Gold: You!" program takes a two-pronged approach to the health issue: practical activities on one hand, and talks and counseling on the other. The practical side may include interactive role-playing on ergonomics, workshops and lectures, among other activities.

Specialists in Occupational Health and Safety and Quality of Life are invited to speak on and to give counseling on stress management; on optimal attitudes to achieve quality of life; looking after mind and body; the importance of a healthy diet; and how to avoid occupational illnesses. On days when the Program activities are being held at each unit, stands are set up to provide visitors with information on oral health, basic hygiene, and physical well-being.

*STRETCHING exercises
as a means of promoting
occupational health*



ZERO ACCIDENTS AND ZERO OCCUPATIONAL ILLNESSES

Yamana's goal, to be met by 2010, is to reduce accidents and occupational illnesses to zero.

At three mines, Chapada, Fazenda Brasileiro and São Francisco, the company already partially achieved this goal in 2007, when no occupational illnesses occurred.

The following table shows the Health and Safety goals for 2007:

INDICATOR	TARGET	RESULT
Fatal accidents	0	0
Lost time injury severity rate (per 1 million man-hours)	max. 420	114
Safety interactions* per month	2,995	3,307
Health campaigns	4 or more	4

*Note: A procedure jointly established between the employee and their superior on safer ways of doing a job, getting the employee to agree to work more safely in the future, thus raising health and safety standards and helping to prevent accidents.



SOCIAL RESPONSIBILITY WITHIN THE COMPANY

As a company of an uncompromisingly ethical and responsible character, committed to our values and principles, we consider respect for human beings an essential part of our activities. We assert our understanding that:

- We shall never employ child labor.
- All employees join and remain within our company as an act of their own free will. As such, we do not condone any form of forced labor.
- The working hours of our employees and service providers are strictly governed by applicable legal regulations. We seek to achieve a balance between the private and professional lives of all our employees so as to enhance their quality of life.
- Opportunities for joining our company, remaining within it and achieving professional advancement are based on competence and capability of adding value to the business. We do not tolerate any form of discrimination on grounds of social class, nationality, religion, gender, sexual orientation, Union affiliation, affiliation to a political party, marital status, or physical characteristics.
- Fair and adequate remuneration of personnel in every geographical area aims at maintaining a favorable corporate climate, holding on to our professionals and social and economic advancement of the company and the community alike.
- Assurance of freedom of association and collective bargaining through the intermediary of duly appointed representatives.
- Personal development of employees, with an improved work atmosphere, through respect for human dignity, continuous training and development of skills, incentives to education and personal improvement of every employee, is coupled with the company's requirements of standards of conduct based on ethics, truthfulness, competence, productivity, and fairness. When necessary, disciplinary measures will be taken in full compliance with fair practices, in accordance with rules duly publicized and made known to all in advance. The right to appeal will also be guaranteed.
- A proactive stance towards suppliers, service providers and the local community as a means of encouraging them to adopt our standards.





PERSONNEL PROFILE

All decisions to hire and retain personnel at Yamana are totally unbiased. The selection process is entirely based on competence, in line with the company's strategic requirements for growth. The main profile indicators express the company's effort to implement socially responsible policies in the personnel area:

INDICATORS	2007
N° of employees, year-end	3,853
N° of new employees hired in the year	1,210
N°. of outsourced workers	4,900
N° of trainees	106
N° of employees aged 45 and above	623
N° of female employees	527
% of supervisory posts occupied by women	1.58*
N° of black employees	246
% of supervisory posts occupied by blacks	0.39
N° of employees with disabilities or special needs	26

*Unit average.

SOCIAL RESPONSIBILITY

Internal Social Indicators	
INDICATORS	2007 US\$ MILLION
Meals	3.9
Government Social Security contributions	15.3
Health	4.3
Occupational Health and Safety	2.4
Education	1.0
Culture	0.2
Training and Skills Development	0.7
Profit Sharing	3.2
Others	3.9
Total – Internal Social Indicators	34.90

2007 consolidated data from all Yamana units. US dollar conversions at 2007 average exchange rates.



WORKPLACE ATMOSPHERE SURVEY

Periodical monitoring aiming at maintaining good relations with personnel. In 2007, more than 80 percent of employees took part in the survey, while the company's overall approval average was 79.42 percent.

ANNUAL TRAINING PROGRAM

In 2007, in Brazil, Yamana provided its employees with education and qualifications training, accounting for an investment of approximately US\$ 851,000, for an average 122 Training Man-Hours in the period. The company has adopted the competency management model and, following the example of the Chapada mine, it carries out at its units in Brazil, local labor training and skills development together with the National Industrial Apprenticeship Service (SENAI). Additionally, the company provides cultural, health, sport and leisure activities in a partnership with Social Services for Industry (SESI).

PRELIMINARY TRAINING

Before starting work, every new employee joining any of the Yamana companies takes part in a preliminary training process for the purpose of providing full information about the company, its procedures, policies and practices, while, in the case of the Brazilian units, fulfilling the requirements under Regulatory Norm 24, a Brazilian Labor Ministry ordinance governing hygiene and safety in the workplace. This training program has a duration of at least 24 teaching hours. In this process special emphasis is placed



BENEFITS POLICY

Yamana provides a cafeteria or meal allowance, debited from payroll up to a maximum of 20 percent, in addition to Christmas baskets. Medical and dental clinics are open to all employees and their immediate dependents. Group life and accident insurance is extended to spouses, and financial support is given in case of death of employees or their immediate dependents.

COMPREHENSIVE HUMAN RESOURCES PROGRAM

ASSESSMENT SYSTEMS

- Professional profile
- Assessment according to abilities
- Workplace Atmosphere Studies

PERSONNEL DEVELOPMENT

- Career planning
- Successor planning
- Annual Training Program

SKILLS DEVELOPMENT PROGRAMS

- Cine Gold' Movie Program
- IDP - Individual development plan
- TDP - team development plan

QUALIFICATIONS

- Educational Incentives
- Languages
- Trainee program
- Young Apprentice Program

LEADERSHIP

DEVELOPMENT PROGRAMS

- Leadership development module - LDM
- Executive coaching
- Management week

CITIZENSHIP

- Quality of life program
- Executive check-up program
- Special needs program
- Volunteer program

Among these programs, special mention may be made in the next pages.

SOCIAL RESPONSIBILITY

on environmental issues and occupational health and safety, dealing with issues such as environmental legislation, monitoring, solid waste management, hazards and risks associated with the activities to be undertaken, preventive measures, personal protection equipment, basic first aid and emergency procedures.

“CINE GOLD” MOVIE PROGRAM

In Brazil, movie screenings are held every two months to highlight Yamana's achievements. Question and answer sessions follow each screening for the audience to discuss scenes and situations shown in the movies.

EDUCATIONAL INCENTIVES

At Yamana study grants are made available to all employees who have been in the company for at least four months and who are enrolled in an educational establishment.

LANGUAGES

Yamana provides career development and performance improvement opportunities to employees who have been with the company for more than six months, subject to the approval of the employee's immediate supervisor. The company will cover up to 80 percent of the monthly fees.



COMMUNICATION CHANNELS

At Yamana, communication is felt to be the basis of our relationship with all our different audiences. To this end, the interest groups within the company have at their disposal an array of customized channels of communication specially developed to suit their specific needs:

OUR COMMUNICATION CHANNELS

With personnel:

- Yamana monthly newsletter;
- Bulletin boards;
- Daily Safety Dialogue (DSD);
- Register of Safety Events (RSE);
- Training;
- E-mail and intranet;
- Mascot for internal communication;
- Monthly Procedural Summary Report.

With the community and the public in general:

- Yamana monthly newsletter;
- Partnership Seminars;
- Trade fairs and events;
- Public Meetings;
- Lectures (at schools, universities, and community centers);
- Dialogue between the Company and the community;
- Guided tours of mines (schools, universities, employee's families, stakeholders, and the local community).

With shareholders:

- Annual Reports, company website, media;
- Visits by market analysts from around the world.

TRAINEE PROGRAM

By August 2007, twenty-one young students took part in this one-year program set up by Yamana Brazil in 2006. Upon successful completion of the program, they began work in September 2007. A second group joined the company at the beginning of 2008.

YOUNG APPRENTICE PROGRAM

The Young Apprentice Program provides young people in the local community with the opportunity to gain specific qualifications that will contribute to their professional development.

SPECIAL NEEDS PROGRAM

Starting off in Brazil, Yamana Gold has set up an Equal Opportunities Committee whose task is to identify jobs and positions in the company that can be filled by people with special needs. The program will shortly be extended to other countries as well.

VOLUNTEER PROGRAM

Yamana organizes and encourages voluntary involvement and participation of its employees in activities within local communities, offering them practical experience in exercising citizenship.

OUR PROCEDURES

Personnel: Employees receive a badge on which Yamana Gold's mission, vision, and values are listed. They are encouraged to use strategically-placed suggestion boxes.

All submissions are duly analyzed by the SYG Committee. Under a visiting program, members of the community are invited to tour the facilities.

The El Peñón unit holds a quarterly information meeting attended by all employees who also receive a report on the operations of each department.

Community: At the Chapada and São Francisco mines, reception of visitors from the local community has been improved with the addition of a specific area to assess and respond to any requests, suggestions, and complaints.

At the Fazenda Brasileiro mine, a free "Green Phone" (0800 284 5405) is available to the public and company personnel.

Minera Florida publishes a quarterly magazine providing information on its socio-environmental projects, in addition to articles of general interest.

CASHEW FOUND in the region where Mina Chapada is located, Goiás



COMMUNITY AND STAKEHOLDER RELATIONS

Our guiding principle is the respect for local communities and for all our stakeholders. Thus, shareholders, local communities where we conduct our business, national and local government institutions, and civil organizations, including labor unions, will always be treated by all of us with absolute courtesy and respect. To this end, we follow these principles:

- Market and Shareholders. We will reach our goals for gold production and growth of our gold reserves in fulfillment of our commitments to the market and to shareholders.
- States, government institutions and their representatives. Our relations will be marked by strict obedience to the law, ethical behavior, and transparency.
- Political parties. As a company, we are neither supporters nor opponents of any political party. As such, we ensure respect for the individual choices of our employees and service providers. We will not use our resources or our influence on behalf of or in opposition to any party.
- Communities. We respect local communities within which we operate. We contribute to their social and economic development. Whenever possible, we will attribute priority to hiring members of these communities for our activities and we will provide support and partnership programs for the benefit of these communities, aiming at improving quality of life and their self-sufficiency.
- Non-governmental Organizations. We recognize NGOs as a means for improving quality of life. For this reason, we shall always be open to NGOs and we shall support projects aligned with our community partnership programs.
- Labor Unions. We recognize the legitimacy and importance of union representation. We shall always be open to dialog and negotiation, and shall ensure the right of all employees or service providers to join the unions of their choice.
- Clients and Suppliers. We will share our ethical principles and our endless search for improving our products and services with our clients and suppliers, with a view to establishing long-term relationships.



COMMUNITY RELATIONS

Under its Community Relations Policy, Yamana develops programs aimed at building frequent links between the company and local communities in adjoining areas of the company's operations. Professional experts, with wide-ranging experience of community issues, zealously pursue the development of these relations, which are one of the company's primary concerns.

EMPLOYEE RECRUITMENT

Yamana prioritizes recruitment among local community residents, who account for over 75 percent of headcount in Brazil and other Latin American countries.

SUPPORT FOR LOCAL CULTURE

Yamana supports local culture through activities such as providing archeological laboratories, theatrical productions, orchestral concerts, art workshops, and boxing tournaments.

SUPPORT FOR SPORTING ACTIVITIES

The Gualcamayo Project in Argentina invests in sports by sponsoring volleyball, soccer, and basketball teams. It has also contributed to the construction of sporting facilities in the local community where it operates. A good example is the Gualcamayo Project's support to the San Martin soccer club in San Juan, as a result of which the team was promoted to the First Division last July, qualifying it to play against leading teams such as San Lorenzo, Boca Juniors, River Plate and Independiente, among others. In acknowledgment of the company's support, some sports commentators nicknamed San Martin "the Asterisks," an allusion to the conventional symbol for mining, while others simply call them "the San Juan Miners." Since August, the San Andrés mine in Honduras has sponsored the Deportes Savio soccer team from Santa Rosa de Copán. This is one of the ways the company has found to express its identification with local communities.



“It’s wonderful that a company is opening its doors to philanthropic organizations, NGOs, and associations. We may say that this program was what enabled us to make a fresh start. It was the “shot in the arm” that we needed because we had become overwhelmed by our difficulties. All this publicity over the radio and in the local press has also brought in twenty new students. We hope that this will be just the beginning, and that many other organizations may have the same good fortune as us.”

Ms. Eliana Oliveira Nunes,
from Filarmônica Juvenil
Rio do Ouro, in Jacobina

COMMUNITY AND STAKEHOLDERS

SUPPORT FOR EDUCATION AND DEVELOPMENT OF SKILLS

Yamana supports education and development of skills through activities such as donating computers, providing training courses to wives and members of local communities, and incentive programs to children of employees. The company engages in these activities at several units. Gualcamayo, for instance, provides training courses for approximately 200 people. The course, which was held from July to October, covered subjects such as handling foodstuffs, making chocolate, and how to operate a very small business.

GUIDED TOURS

Employees' family members, students, local representatives and government officials are invited to visit the work environment and to observe the units in operation under the guidance of qualified professionals. Visitors are briefed on personal safety and respect for the environment, in accordance with Yamana standards. This program, first introduced at the Chapada and Jacobina mines, will be extended to all other units throughout 2008 which is called "Open Doors".

COMMUNITY SUPPORT

PARTNERSHIP SEMINARS

With a view to improving the quality of life in local communities, thus contributing to sustainable development, the enhancement of dignity, and the promotion of citizenship in the communities where we operate, Yamana Gold has undertaken, since 2005, Partnership Seminars at its Brazilian units in the states of Mato Grosso, Bahia, and Goiás. This initiative in the field of the company's socio-environmental responsibility is held once a year. By means of the seminar, funding is provided up to a cap of 70 percent of total cost for socio-environmental projects submitted by local associations and institutions. Among other goals, these projects have as their

UNIT	LOCATION	NUMBER OF PROJECTS
Serra da Borda	Pontes e Lacerda	5
Jacobina	Jacobina	7
MFB	Teofilândia	6
	Barrocas	3
Mineração Maracá	Alto Horizonte	4
	Nova Iguaçu	4
	Campinorte	4
Bacilândia	Fazenda Nova	11

AWARDS

- Company of the Year in the Mining Industry, Mid-Sized Category, for three consecutive years (2005, 2006, 2007), as published in Brasil Mineral magazine;
- Prize for Excellence in the Mining and Metallurgical Industry, awarded to the Fazenda Brasileiro mine on completing 365 days without a single lost-time accident, awarded by Minerios & Minerales magazine.

Social and environmental responsibility in all its operations is the guiding principle of all Yamana Gold's activities. The company has a profound respect for human beings and treats the environment with the greatest care. Socio-environmental investments, in association with initiatives undertaken by other partners, are a decisive contribution to protecting the health of our employees, improving the quality of life of local populations adjacent to our operating units, and preserving the flora and fauna in areas where we operate. These actions comprise the most visible facet of our commitment to sustainability.



main focus, income and job creation, social mobility, education and culture, health and sports, environmental preservation and awareness, and the provision of social services. Participants in the seminars include philanthropic and social welfare institutions, NGOs, various government agencies, religious institutions, service clubs, community associations, and labor unions.

About 155,000 people will benefit from the forty-four projects approved at the Partnership Seminars held in eight municipalities in 2007, adding up to a total investment of US\$ 339,000.

THE BAÑOS PROGRAM

Throughout the year, some seventy families from Asiento, Talamí, Pichi, Población Ignacio Carrea Pinto, Polulo, La Linea and Villa Alhué benefited from the Baños Program initiated by Minera Florida in Chile. With full sanitary and drainage facilities, bathrooms were built in every house. The local community plays an important role in this process by deciding which families are to benefit from the program. Another major initiative by the same unit has been to provide a supply of drinking water to the communities of El Asiento and Talamí, by sinking a well and installing pumping and purification systems with twenty-five storage tanks.



BEEKEEPING PROGRAM

Minera Florida, located in Chile, signed in 2005 a government-private sector agreement for conservation of the Cordón de Cantillana. It has undertaken to take steps to minimize the damage that may be caused to the environment and to support economic and productive activities in the region. For this purpose, over the last five years, the company has developed Chilean palm tree planting and beekeeping. Six people from the El Asiento community are employed in this program, with a beekeeping specialist in an advisory role. Currently, they have 750 hives and aim to double the number to 1,500 in the next few years to produce organic honey. This will bring additional value to the mining operation in terms of social responsibility and sustainability.

OPERATING UNITS

BRASIL

1. MBL – MINA DE BACILÂNDIA (under closure phase)

Fazenda Bacia, Distrito Bacilândia

Fazenda Nova – Goiás CEP. 76220-000

Tel.: +55(62) 3382-1730

2. MFB – MINA DE FAZENDA BRASILEIRO

Fazenda Brasileiro s/n Zona Rural

Barrocas e Teofilândia – Bahia CEP. 48705-000

Tel.: +55 (75) 3616-5366

3. JMC – COMPLEXO JACOBINA

Fazenda Itapicurú, s/nº zona rural

Caixa Postal 03 Jacobina – Bahia CEP. 44700-000

Tel.: +55 (74) 3621-8004

4. MMIC – MINA DE CHAPADA INDÚSTRIA E COMÉRCIO

Rodovia GO 347, Fazenda Jenipapo s/n, Zona rural

Alto Horizonte – Goiás – Brasil CEP. 76560-000

Tel.: +55 (62) 3383-3929

5. SBMM – MINA DE SÃO FRANCISCO E METALURGIA

Rua Virgínia Azambuja, 625, 2º piso, Centro – Pontes Lacerda

Vila Bela da Santíssima Trindade, Mato Grosso

Tel.: +55 (65) 3259-1920

ARGENTINA

6. MASA- PROJETO GUALCAMAYO S/A

Proyecto Gualcamayo - Proyecto Gualcamayo

San Luis Oeste 235 - J5400ANE

San Juan

Tel.: +54 (264) 4299700

CHILE

7. MINA EL PEÑÓN

Pampa El Peñón, 160 Km. al sur este de Antofagasta

Tel.: 55-55-253155

8. MINA FLORIDA

El Asiento, s/nº, Comuna de Alhué, RM, Chile

Tel.: 56-02-5196401

HONDURAS

9. MINOSA- MINA DE SAN ANDRÉS

3 y 4 calles, 4 avenida N.O. Barrio El Carmen

Contiguo a Seguros Atlántida, San Andres, Santa Rosa de Copán

Tel.: +(504) 662- 1232

USA

10. BEARTRACK MINE (under closure phase)

Post Office Box 749

Salmon, Idaho 83467

11. ROYAL MOUNTAIN KING MINE (under closure phase)

Post Office Box 190

Copperopolis, California 95228

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Mining Executive

RICHARD GRAFF
Investor

ROBERT HORN
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Mining Executive

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