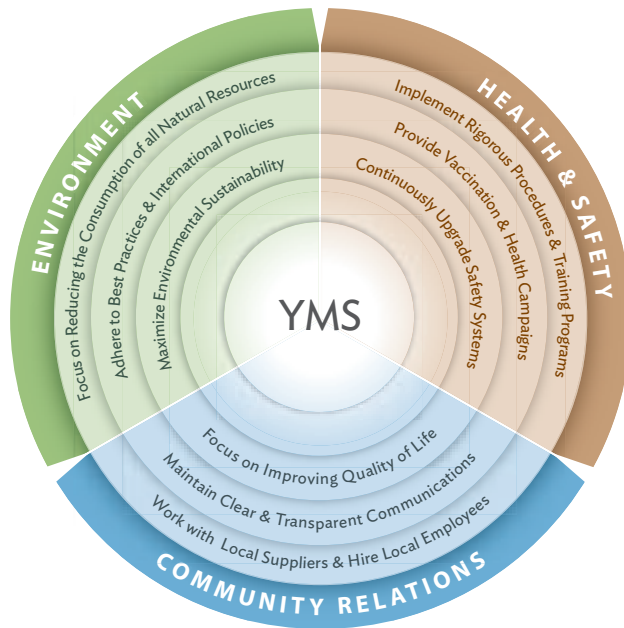


# GROWTH AND SUSTAINABILITY

ACTIVE AND  
INVOLVED



At Yamana we work with our local communities to ensure that we are effectively supporting and contributing to their development. We are committed to hiring local employees, becoming active members of the communities we operate in and maintaining and improving the environment we live and work in.

Our CSR program exceeds international standards in all areas and we are constantly striving to strengthen our practices in health, safety, environmental protection and community and government relations.





**Yamana Gold** is a Canadian-based gold producer with significant gold production, gold development stage properties, exploration properties, and land positions throughout the Americas including Brazil, Argentina, Chile and Mexico. Yamana plans to continue to build on this base through existing operating mine expansions, throughput increases, development of new mines, the advancement of its exploration properties and by targeting other gold consolidation opportunities with a primary focus in the Americas.

BUILDING AND  
DEVELOPING



100%

COMMITTED TO  
OUR COMMUNITIES

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# 100

The Best-Performing  
CEOs in the World

**Message from CEO** Corporate Social Responsibility (CSR) should drive and form part of the core values of any business enterprise. While our social license depends on our adherence to principles embedded in CSR, we also believe, in absolute terms, that being socially responsible is the right thing to do.

With this in mind, we strive to adhere to international standards in all our CSR activities and are continually strengthening our practices relating to health, safety, environmental protection, and community and government relations.

Yamana had a successful year in 2012. We delivered record production with low costs and maintained our profitability while continuing our commitment to being a responsible corporation.

Our CSR programs progressed very well as evidenced by our many achievements.

We launched an improved Yamana Management System to better integrate, coordinate and manage all aspects of our CSR program.

Our Gualcamayo mine achieved OHSAS 18001 and International Cyanide Management Code certification.

Our Pilar development project is our first to fully incorporate sustainable construction techniques.

We maintained our percentage of local employees at 75%, even as our workforce increased by over 20% due to the advancement of our development projects.

We continued to work with our local communities to ensure that we are effectively supporting and contributing to their development.

In 2012, we initiated our Open

Doors Program at Mercedes. Across all operations, we hosted 102 site visits attended by nearly 1,900 people.

These and other accomplishments described in this report are significant, but there is one area of our performance in 2012 that is not acceptable to me and that is the increase in the number and frequency of accidents over the previous year. While our accident frequency rate was below a longer term trend, which demonstrates the overall success of programs we began to implement several years ago, we want to see our accident levels decrease year over year, clearly targeting zero accidents. Nothing is more important than each and every employee making it home to

## FOCUS AND DIRECTION



their family safely every day. We have renewed our focus on health and safety, and I am confident we will return to making progress towards our target of zero accidents.

In closing, I thank all Yamana employees and contractors for their dedication and hard work that helped us deliver another strong year. I would also like to thank our local communities and other stakeholders for continuing to work with us to ensure we can all share in the benefits of responsible mining. I look forward to working with all of you as we continue building on our success.

PETER MARRONE  
*Chairman and Chief Executive Officer*

## 2012 Performance

2012 GOAL	STATUS	COMMENT
Obtain certification to ISO 14001 and receive an independent recommendation for the International Cyanide Management Code at Mercedes	In progress	ISO 14001 certification and ICMC recommendation are expected in 2013.
Obtain International Cyanide Management Code certification at Gualcamayo	Achieved	Gualcamayo was certified in 2012.
Receive OHSAS 18001 Occupational Health and Safety Management certification at Gualcamayo	Achieved	Gualcamayo was certified in 2012.
Initiate the Citizen Meetings Program at El Peñón	Achieved	Four meetings were held involving 134 stakeholders.
Formalize a policy for climate change	In progress	Studies and benchmark analyses were completed in 2012 and will form the basis for the forthcoming climate change policy.
Finalize health and safety key performance indicators and implement a monitoring system for employee health	In progress	A general evaluation of the units was completed in 2012 and indicators for monitoring will be determined in 2013.
Introduce the Environmental Education Centre at the Chapada mine to the general public	Achieved	The Centre was introduced during the first week of June 2012 to coincide with Environment Week.
Implement a motivational program in collaboration with the Human Resources department	In progress	In 2012, assessment of employees' perceptions of safety systems was done at several operations and an action plan will be implemented in 2013.
Complete the Emergency Response Plan at each operation	In progress	Independent consultants conducted assessments of each site's plan and pending items relate to acquisition of additional equipment to be delivered in 2013.
Benchmark all sustainability practices against industry peers	Achieved	Independent consulting firm Deloitte carried out the study.
Decrease the Lost Time Injury Severity and Accident Frequency Rates with the ultimate objective of zero accidents	Not achieved	This is attributed in part to the higher turnover rate in leadership positions during 2012, to the development of new projects and the limited availability of a pre-trained workforce.



# 2013 Objectives

- 1. Implement auditing of legal compliance for Brazilian units.
- 2. Conduct research on the perception of the social-environmental programs with Yamana's stakeholders.
- 3. Consolidate the Yamana Institute of Social-environmental Development in Brazil, migrating existing social programs and implementing new ones.
- 4. Improve the effectiveness of the Occupational Health Management System by establishing monitoring of specific indicators.
- 5. Conduct real-time environmental analyses using geographic information (GIS - Geographic Information System).
- 6. Conclude the implementation of social programs at Mercedes, Ernesto/Pau-a-Pique, C1 Santa Luz and Pilar mines.
- 7. Validate the Code of Conduct for Suppliers.

## Awards

In 2012 some of Yamana's achievements were acknowledged in noteworthy ways:

**The 100 Best-Performing CEOs in the World** – Yamana CEO, Peter Marrone, was voted 65th in the Harvard Business Review survey of the top 100 CEOs in the world. The survey offers a ranking of CEOs' performance over their entire tenure evaluated against shareholder returns and changes to market capitalization.

**Argentina Mining 2012** – At the Argentina Mining 2012 symposium, Yamana was given the "Business Explorer/Mining or entity characterized by its action on CSR" award in recognition of its implementation of outstanding sustainable development policies in the communities in which it operates.

**SESI Quality at Work Award** – Yamana received two awards from the social services branch of FIESP, a São Paulo based industry association, for its work near Chapada: in the socio-environmental development category, for its Integration Day initiatives; and under education and development, for the technical and professional training courses made available to the community.

**3rd Annual Award for Ethics in Business** – Yamana was shortlisted for the Ethics in Business award presented by the Brazilian Institute of Ethics and Business, in recognition of the Company's Partnership Seminar program that helps to provide a source of income for dozens of families in Barrocas.

**3rd Annual Competitive and Social Actions Award** – Yamana was honored by the Brazilian newspaper Folha do Estado, which aims to promote initiatives by companies and people who contribute to the social, environmental and economic development of the state of Bahia and Brazil.

## Certifications

COUNTRY	MINE	ISO 14001 ENVIRONMENTAL MANAGEMENT	OHSAS 18001 OCCUPATIONAL HEALTH & SAFETY MANAGEMENT	INTERNATIONAL CYANIDE MANAGEMENT CODE
BRAZIL	Chapada	Certified	Certified	Not Applicable
	Fazenda Brasileiro	Certified	Certified	Certified
	Jacobina	Certified	Certified	Certified
CHILE	El Peñón	Certified	Certified	Certified
	Minera Florida	Certified	Certified	Certified
ARGENTINA	Gualcamayo	Certified	Certified	Certified
MEXICO	Mercedes	Target 2013	Target 2013	Target 2013

## Commitments & Memberships

### CANADA

- Canadian Council for the Americas
- International Cyanide Management Code for the Manufacture, Transport, and Use of Cyanide in the Production of Gold (ICMC)
- Prospectors and Developers Association of Canada (PDAC)
- World Gold Council

### BRAZIL

- Brazilian Association of Energy Consumers (Associação Brasileira dos Consumidores de Energia - ABRACE)
- Brazilian Copper Association (Associação Brasileira de Cobre - SINDICEL/ ABC)
- Canadian Chamber of Commerce in Brazil
- Federation of Industries in the State of Goiás (Federação das Indústrias do Estado de Goiás - FIEG)
- Federation of Industries in the State of São Paulo (Federação das Indústrias do Estado de São Paulo - FIESP)
- Brazilian Mining Institute (Instituto Brasileiro de Mineração - IBRAM)
- Corporate Compact Against Sexual Exploitation of Children and Adolescents on Brazilian Highways (Pacto Empresarial Contra a Exploração Sexual de Crianças e Adolescentes nas Rodovias Brasileiras)

### ARGENTINA

- Argentine Chamber of Mining Developers (Cámara Argentina de Empresários Mineiros - CAEM)
- Group of Mining Companies of the Republic (Grupo de Empresas Mineras Exploradas de la República - Gemera)
- Canadian Chamber of Commerce in Argentina

### CHILE

- Antofagasta Industry Association (Asociación de Industriales de Antofagasta - AIA)
- Canadian Chamber of Commerce in Chile
- Chilean Mining Council (Conselho de Mineração do Chile AG)
- National Mining Society (Sociedad Nacional de Minería - SONAMI)

### MEXICO

- Canadian Chamber of Commerce in Mexico (CanCham)
- Mexican Chamber of Mining (Cámara Minera de México - CAMIMEX)
- Mining Task Force, MTF (Força-Tarefa de Mineração)



## Sustainability Principles & Management

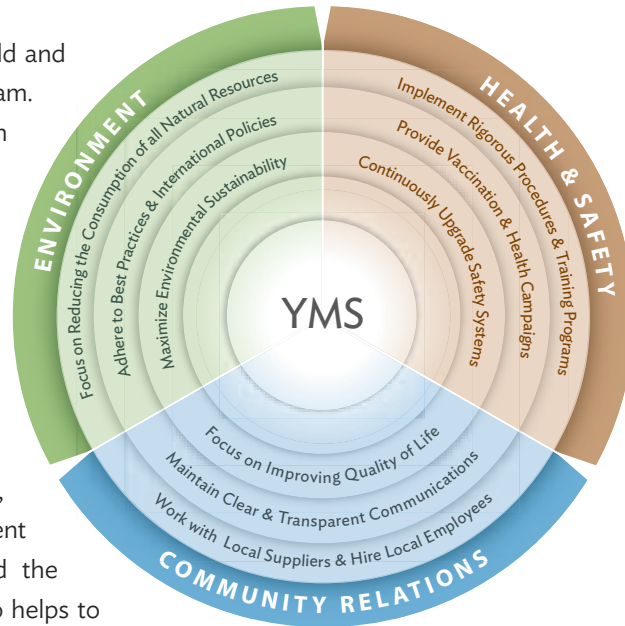
1. We continuously strive to minimize our environmental impact.
2. We prioritize the development of cleaner, greener and safer technologies and work closely with our suppliers to improve processes and techniques that maximize environmental protection.
3. We train every employee and contractor to be conscious of safety in their daily routines and encourage them to promote responsible mining.
4. We review our programs and targets on a regular basis to ensure they are aligned with the expectations of our stakeholders and local communities.
5. We build and operate all of our sites in accordance with rigorous international environmental standards.

Yamana has a responsibility to all its stakeholders to build and adhere to a strong corporate social responsibility program.

In 2006, we developed an integrated management system that governs our activities in safety, health, environment and community relations; the Yamana Management System (YMS). The system involves risk assessment, identification of all legal and contractual requirements, definition of company objectives and targets and includes procedures to ensure that we operate in compliance with our policies and management programs. It was developed based on the following best practices and international standards: ISO 14001 Environment Management System, OHSAS 18001 Occupational Health and Safety Management System, SA 8000 Social Accountability Standard, and the International Cyanide Management Code. The YMS also helps to define corporate goals related to the reduction of natural resource consumption, zero accident targets and certifications. In 2012, implementation of a more integrated YMS framework began at a number of our operations and will take up to 24 months for the implementation process to be completed.

The Safety, Health, Environment and Communities (SHEC) corporate committee is chaired by the Chief Operating Officer and composed of members of the Company's leadership. In addition, each operation has a SHEC Committee chaired by the general manager. These committees meet regularly to set objectives and monitor the effectiveness and performance of our sustainability efforts. To further support our efforts, an internal SHEC Portal pilot project was initiated in 2012. The goal of this internal database is to improve management of key performance indicators to increase the reliability of information and better facilitate decision making.

Adherence by operational units to the YMS in 2012 was 83.7% which is consistent with the average from the four prior years of 83.7%.



## Corporate Governance

As an international mining company, we are committed to the highest standards of governance and stewardship. Our Board of Directors and management recognize the importance of governance in effectively managing the Company, protecting employees and shareholders, and enhancing shareholder value.

### Board of Directors

Our Board is highly engaged, and committed to strong stewardship and our long-term success. The Board fulfills its mandate directly and through its committees at regularly scheduled meetings or as required. Our governance practices meet the applicable requirements in Canada, the United States and the United Kingdom, and for best practices in general. We also monitor governance developments to ensure our practices remain current and appropriate.

The current Board is made up of 10 directors, nine of whom are independent, who provide a strong and diverse mix of skills in finance, mining, sustainability, metallurgy, mergers and acquisitions and international business. Our Chairman is Peter Marrone, who founded Yamana Gold in 2003 and also serves as Chief Executive Officer (CEO). Our Chairman is a non-independent director according to the Board's independence criteria and governance guidelines.

The corporate governance and nominating committee monitors the performance of the Board and the Chairman and CEO and believes that the combined position does not detract from the effective functioning of the Board. Our position is unique because our Chairman and CEO is also the founder of the company. Both the Committee and Board believe Mr. Marrone's passion, drive and leadership have been instrumental in Yamana's success to date.

The Lead Director is independent and appointed by the Board. His primary focus is to provide leadership to the independent directors and ensure that the Board successfully carries out its duties. The Lead Director chairs all meetings of the independent directors and ensures that the Board's responsibilities are well understood and respected by both the Board and management.

### Committees of the Board

All of the committees are 100% independent. The committees operate independently of management and report directly to the Board. The Board may also appoint independent or ad hoc committees from time to time as appropriate.

The Board has the following four standing committees:

#### *Audit Committee*

The audit committee assists the Board in fulfilling its financial reporting and control responsibilities to shareholders and the investment community. Our independent, external auditors report directly to the audit committee.

#### *Compensation Committee*

The compensation committee is responsible for recommending strategy, policies and programs for compensating and developing directors and senior management.

### *Corporate Governance and Nominating Committee*

The corporate governance and nominating committee develops Yamana's corporate governance policies and practices, assesses the effectiveness of the Board and its committees, and leads the process for recruiting and appointing directors and ensuring their ongoing development.

### *Sustainability Committee*

The sustainability committee assists the Board in overseeing sustainability, environmental, and health and safety matters, which includes monitoring the implementation and management of our policies, procedures and practices relating to these four areas of corporate responsibility.

### *Board Development*

Assembling a board that has an appropriate mix of skills, experience and other qualities provides management with effective leadership and direction to support our strategic growth as a company.

The Board assessment process helps the corporate governance and nominating committee determine Board effectiveness and identify areas it may need to enhance when recruiting new director candidates for nomination to the Board.

The corporate governance and nominating committee has developed a long-term plan for Board composition that is based on our strategic direction, skills matrix and other factors. Director independence, the competencies and skills of the Board, core skills and qualities, the current strengths, skills and experience of each director as well as each director's personality and other qualities they bring to the dynamics of an effective board are all factors that the committee takes into consideration when recruiting director candidates.

Shareholders, employees and other interested parties may communicate directly with the Board by contacting the Chairman and CEO or the Lead Director at the addresses noted in our Contact Information section. Additionally, to view Yamana's Board and committee charters, ethics policy and corporate governance practices, as well as how they compare to the NYSE standards, please visit [www.yamana.com/governance](http://www.yamana.com/governance).

### **Core skills and qualities for serving on the Yamana Board**

- financial literacy
- integrity and accountability
- ability to engage in informed judgment
- governance
- strategic business development
- excellent communications skills
- ability to work effectively as a team.

## Executive Compensation

Quality people are the foundation for Yamana's continued success. At every opportunity, we strive to create an environment that encourages innovation, manages change and nurtures development.

Yamana's pay-for-performance philosophy seeks to reward the achievement of performance goals and aligns the interests of executives with Yamana's shareholders. In 2012, our shareholders had an opportunity to participate in an advisory vote on our approach to executive compensation because we believe it's important to have regular and constructive engagement with our shareholders, and to receive shareholder feedback on this issue. Details of how compensation is aligned with economic, social and environmental goals can be found in Yamana's 2012 Management Information Circular. ([http://yamana.com/files/2013%20Documents/Corporate%20Reports/Yamana\\_MIC\\_Mar28\\_v001\\_tol33e.pdf](http://yamana.com/files/2013%20Documents/Corporate%20Reports/Yamana_MIC_Mar28_v001_tol33e.pdf))

## Risk Management

The Board is responsible for the stewardship of Yamana, supervising the management of our business, and acting in the best interests of the Company and our shareholders. The Board receives quarterly updates on operations, health, safety, environment and community, exploration and construction.

We have a system in place to manage the various risks facing our business. These risks include those in the audit and financial, sustainability, health and safety and compensation areas. In light of our significant growth in ten years and evolving governance practices, we are working on a new enterprise risk management (ERM) framework as a good business practice and to support management and employees across the Company in identifying, assessing and mitigating our principal risks.

The new framework will provide current and accurate information about our major risks, and allow management to run the business more effectively by minimizing the downside risks while maximizing opportunity within our risk appetite.



## Our Business Values and Conduct

Yamana is committed to conducting business according to the letter and spirit of the law and our high standards of ethical business conduct. Our core values shape the way we do business and meet our commitments to our people, the marketplace and the communities in which we operate. We believe our values also help determine our success.

### Code of Conduct

The Board has adopted a Code of Conduct (the “Code”) for its directors, officers and employees. The Board encourages and promotes an overall culture of ethical business conduct by promoting compliance with applicable laws, rules and regulations in all jurisdictions in which the Company conducts business; providing guidance to directors, officers and employees to help them recognize and deal with ethical issues; promoting a culture of open communication, honesty and accountability; and ensuring awareness of disciplinary action for violations of ethical business conduct. All directors, employees and service providers receive a copy of the Code when they join our team and they go through planned training according to an annual training plan with requirements specific to each area.

Yamana has established a toll-free compliance call line and website to allow for anonymous reporting of any suspected Code violations, including concerns regarding accounting, internal controls over financial reporting or other auditing matters.

The corporate governance and nominating committee reviews the Code regularly and last updated it in January 2012. A copy is available on our website at [www.yamana.com](http://www.yamana.com).

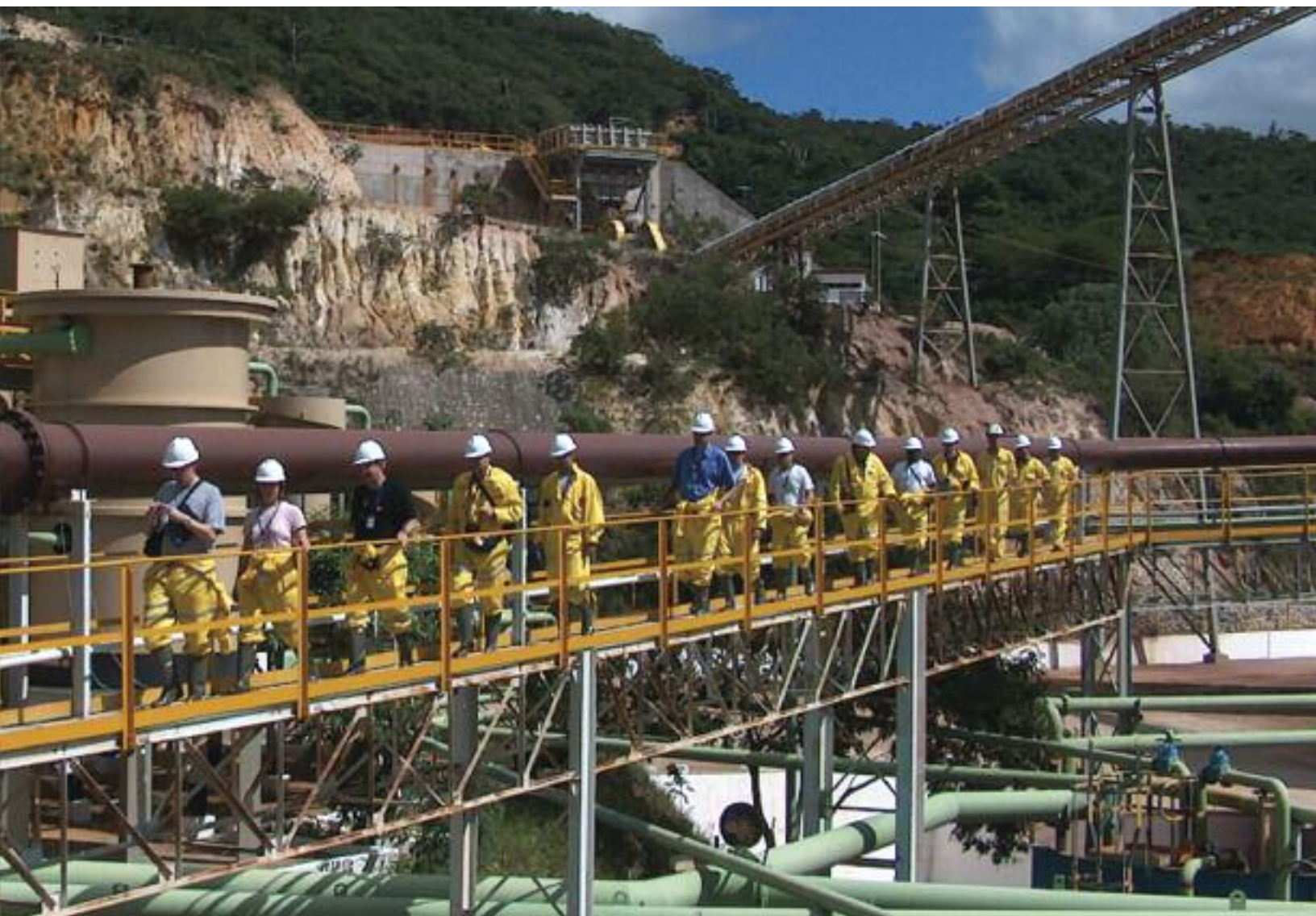
### Yamana’s 10 core values

- entrepreneurial spirit
- operational excellence
- continuous improvement
- transparency
- safe work environment
- ethical attitude
- responsive to local communities
- responsibility
- respect for the environment
- integrity

We are committed to contributing to local economic development by giving preference to the employment of people from the communities around our operations, and by contributing to training and development partnerships to assist in this process



TALENT AND  
DEDICATION



**Our Employees** At Yamana, we continue to recognize our employees are our most valuable asset. Our ability to attract and retain motivated professionals contributes significantly to our ongoing operational and financial success. We strive to provide employees with the tools and support they require to continue developing and achieving their individual goals while contributing to our collective success.





In 2012, our Human Resources department continued implementing the strategic direction that was launched in 2011 when the department was restructured. The key pillars of the renewed strategy are to manage talent, enhance employee motivation and engagement, and improve organizational effectiveness.

### Employee Growth and Economic Development

In 2012, we advanced three projects towards the start-up of production, which contributed to a 21% increase in Yamana's workforce to 11,874 people, made up of 6,180 employees and 5,684 contractors. We are committed to contributing to local economic development by giving preference to the employment of people from the communities around our operations, and by contributing to training and development partnerships to assist in this process. As a result, we are proud to have maintained our share of employees coming from local communities at 75%.

	EMPLOYEES	CONTRACTORS	TOTAL
Brazil	2,669	3,200	5,869
Argentina	722	237	959
Canada	99	0	99
Chile	2,219	1,931	4,150
Mexico	469	309	778
USA	12	7	19
Total	6,190	5,684	11,874

### Employee Training and Development

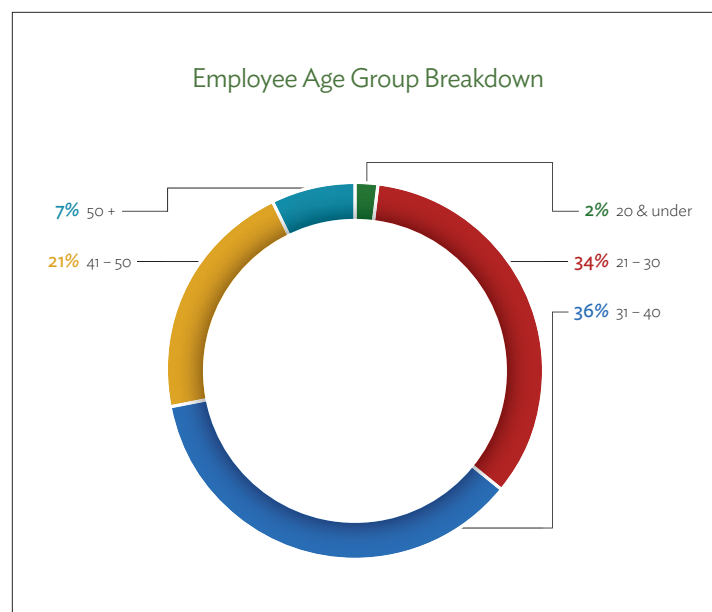
Investing in the training and development of our employees is central to ensuring our employees have the skills and expertise to achieve their career aspirations. To assist employees, we emphasize succession planning and providing employees with the support to develop at Yamana. A key tool is making sure employees work with their supervisors to create personal development plans outlining opportunities to enhance knowledge and skills.





In 2012, 2,300 employees participated in this exercise, and we are aiming to have these plans in place for all employees. Our focus on developing employees contributed to 200 employees being recruited internally for different positions.

An example of our ongoing focus on internal development is our Leadership Academy. More than 350 managers participated in the corporate education program designed to foster structured discussions aligned with Yamana's strategic directions while strengthening management skills. By training high-performing employees we are able to deliver on many of the goals of our Human Resources department.



## Diversity

Yamana aims to provide a supportive work environment where diversity thrives and discrimination is not tolerated. Our Code of Conduct, which 100% of employees receive and are trained on, sets the foundation for a work place centered on mutual respect.

We are focused on hiring the best people possible and strive to ensure our hiring practices provide the opportunity for the best to succeed regardless of gender or background. We recognize the opportunity to increase participation of females in our workforce. In Brazil, there has been a slight increase in the number of females operating light or heavy machinery, and overall females represent approximately 10% of Yamana's total workforce. We have policies in place to ensure there is no distinction between each gender's salaries within the same employee category.

Engaging with our employees is an area of continuous improvement. We are pleased to have achieved a reduction in our voluntary turnover rate of approximately 6%, and continue with our efforts to ensure that Yamana remains a company for which employees are proud to work.

We take seriously the need to engage with employees to foster a culture with health and safety at its core.



SAFE AND  
HEALTHY



**Health & Safety** At Yamana, we strive to be an industry leader in health and safety. We have developed policies, protocols and training programs to take us beyond compliance and position health and safety considerations at the core of our culture. Providing a safe and healthy work environment is our number one objective. Our employees and their families deserve no less.

## 2012 Highlights

- Gualcamayo obtained OHSAS 18001 and International Cyanide Management Code certification
- We developed an e-learning program to bolster safety training for all employees
- A new corporate procedure for safety in underground mines and monthly monitoring of geotechnical assessments has improved the safety rating assessed at each of our operations to better than average or above
- We implemented the Smartmine system to automate fleet control and communications at Chapada, El Peñón, and Jacobina
- We improved our suite of safety tools and implemented Management Inspections, which are led by general managers and area managers

## Prevention Through Engagement

We take seriously the need to engage with employees to foster a culture with health and safety at its core. In 2012, 3,080 employees from our Chapada, El Peñón, Gualcamayo and Mercedes operations participated in our first employee survey about the effectiveness of our safety efforts. They identified our Yamana Management System as a notable strength and provided additional insight into improvements we can make to further engrain health and safety awareness into all of our activities. In response to the survey results, specific action plans relating to safety training and tool development will be prepared in 2013.

Employee feedback is also central to the tools and protocols we have in place to prevent accidents. An important tool used to identify risks and avoid accidents is the P.E.A.C.E. tool, which stands for Think, Study, Analyze, Correct and Execute in Portuguese. The Daily Safety Dialogue reinforces the best safety practices and encourages employees to identify and report risky situations to management, and the safety Incident Report allows employees to report potentially hazardous situations. These reports are analyzed by the responsible supervisors for subsequent correction of the hazard.

Other corporate tools to reduce the exposure to risky situations is the existence of energy locking systems in equipment and work permits before employees work at height, with heat, in confined places, among others.

Employees are allowed to refuse to perform a task if it is deemed unsafe.

## Encouraging Safe Behaviour

At Yamana, we realize the importance of attracting the right people in shaping our culture. This begins with our hiring practices which strive to ensure everyone at our operations puts the same priority on health and safety. When considering new employees we include an evaluation of each candidate's behavioural profile to determine if their skills and attributes align with our culture.

We take a similar approach in the way we manage our supply chain. One of the criteria suppliers are evaluated against is their ability to meet our health and safety standards. Throughout our relationship with a supplier we continue to monitor their performance to ensure compliance with our policies and standards. We also include training on our health and safety expectations in our ongoing outreach efforts to support new suppliers looking to do business with us for the first time.

Education and awareness are key components in making sure all our employees are able to perform their tasks safely. Each employee and contractor begins learning about our standards and the available tools right from their first day at Yamana. New employees and contractors each undergo a minimum of 24 hours of training to learn about hazards they might face, and the means in place to help them prevent accidents. The training given is a combination of corporate policies and standards, and task-specific instruction designed for each operation and each worker's individual responsibilities.

To support ongoing education efforts, we developed an e-learning program in 2012. This initiative was developed with all Yamana employees in mind and will cover safety topics across technical and management areas. We expect this program to be implemented over the course of 2013 and in future years will be an important part in providing continuous learning opportunities for our employees.

## Yamana's Nine Golden Rules

1. The use of personal safety equipment is mandatory.
2. Speed limits on private and public roads must always be obeyed.
3. Vehicles may be operated by Company-authorized personnel only.
4. Prior to operating any vehicle or cargo equipment, employees must complete the Company's safety training program.
5. The use of seat belts in vehicles is mandatory.
6. When working with hazardous energy, employees must ensure additional safety procedures are followed and all cautionary labels are prominent.
7. Employees must review and confirm all safety requirements before working in confined spaces.
8. When working at heights greater than 1.8 metres, employees must use safety harnesses.
9. Never attend work under the influence of alcohol or narcotics.



We are continually looking to leverage technology to reduce the risks faced by employees and contractors at our sites. An example of this is the Smartmine system that we have been implementing over the past two years. This system is capable of automating a wide range of operating processes to increase the overall efficiency of our operations while reducing the risks. This system is currently automating fleet control and communications at Chapada, El Peñón, and Jacobina.

A key initiative to raise safety awareness is our Safety Alert Day event, which is coordinated by the SHEC department and occurs at each of our operations. For one day each site halts all operations, and management and employees gather to discuss and review all aspects of working safely. One hundred percent of our employees participated in this event in 2012.

### Assessing and Managing Risks

The Yamana Management System (YMS) sets the objectives and principles we use to guide our management of health and safety risks. The corporate Safety, Health, Environment and Communities (SHEC) committee, which is led by and includes senior management representation, provides corporate level oversight, and, as important, are the committees established at each site that have responsibility for overseeing efforts at the site level. These committees meet monthly to discuss events and incidents, adherence to standards and policies, auditing results, geotechnical assessments and evaluation of proposals to improve our performance.

An example of the success of our structured approach is the improvements to the results of our geotechnical assessments. These assessments are done at both open-pit and underground mines to measure the risks associated with the movement of earth during operations. In 2012, we renewed procedures related to the requirements for underground mines, and excavation policies and management plans to better understand and respond to the geotechnical risks at our operations. Through these ongoing assessments and continuous updating of plans, we have been able to improve our results so that today all our operations have an above average rating and we are better positioned to mitigate geotechnical risks.

In 2012, we developed a new management tool to assist our sites identify and manage major risks. We set up site level risk committees that are responsible for evaluating risk, developing controls and monitoring performance, and are supported by standards and expertise from the corporate level, including the corporate SHEC committee.

SAFETY PERFORMANCE*	2010	2011	2012
Accident Frequency Rate	3.05	2.66	2.84
Lost Time Injury Frequency Rate	0.21	0.28	0.40
Lost Time Injury Severity Rate	64	99	68
Occupational Diseases Rate (ODR)	0	0	0
Absentee Rate (AR)	2.2	2.5	2.4

\*Based on 200,000 hours worked

OTHER PERFORMANCE INDICATORS	2010	2011	2012
Accidents without lost time	336	328	407
Lost time accidents	23	39	66
Total lost days	7,077	13,725	11,326
Fatalities	1	2	1

Regrettably, the frequency and number of accidents increased at our operations in 2012. The increase is attributed in part to the development of three new projects, a shortage of a pre-trained workers and an increased turnover rate in leadership positions. In 2013, our goal is to return to our previously established trend of reducing the accident rate year-over-year.

The goal of our efforts is to minimize the consumption of natural resources at all of our operations.



DIVERSE AND  
SUSTAINABLE



**Environment** Yamana's aim is to minimize our impact on the environment, and to maintain the sustainability and diversity of our surrounding environment. We adhere to best practices in all environmental matters, and comply with local and international legislation through every step of the mining lifecycle.

## 2012 Highlights

- Gualcamayo obtained International Cyanide Management Code certification
- We opened the Chapada Environmental Education Centre to the public in June 2012
- We integrated sustainable construction techniques into the development of our Pilar project

In 2012, our environmental investments reached \$15,362,520. This investment includes improvements at our operations, our development projects, and the closing of our operations in the United States.

INVESTMENTS	TOTAL (\$)
Environmental monitoring	3,574,229
Waste management	2,981,749
Areas reclamation	233,137
Sewage treatment	1,610,280
Environmental education	257,748
Protected areas management	176,738
Certifications	483,641
Closure	3,467,531
Environmental licensing/ Environmental rates	1,390,006
Other	1,187,461

## Environmental Performance

Yamana's environmental policy is incorporated into all aspects of the mining process, from the exploration stage to decommissioning. The Yamana Management System is designed to assist in environmental impact assessment, analysis and management of risks, and environmental monitoring and controls.

In 2012, we undertook a review of some of our corporate standards and the result was the introduction of new technical standards relating to acid rock drainage and geochemical assessment, and dam, dike and tailings store facility management.

The goal of our efforts is to minimize the consumption of natural resources at all of our operations.



	2011	2012	CHANGE
Diesel (m <sup>3</sup> /kGEO)	55.03	60.55	+10%
Electricity (MWh/kGEO)	552.32	562.34	+2%
Solid Waste (t/kGEO)	9.63	10.38	+7%
Fresh Water (m <sup>3</sup> /kGEO)	7,591.15	11,256.12	+48%

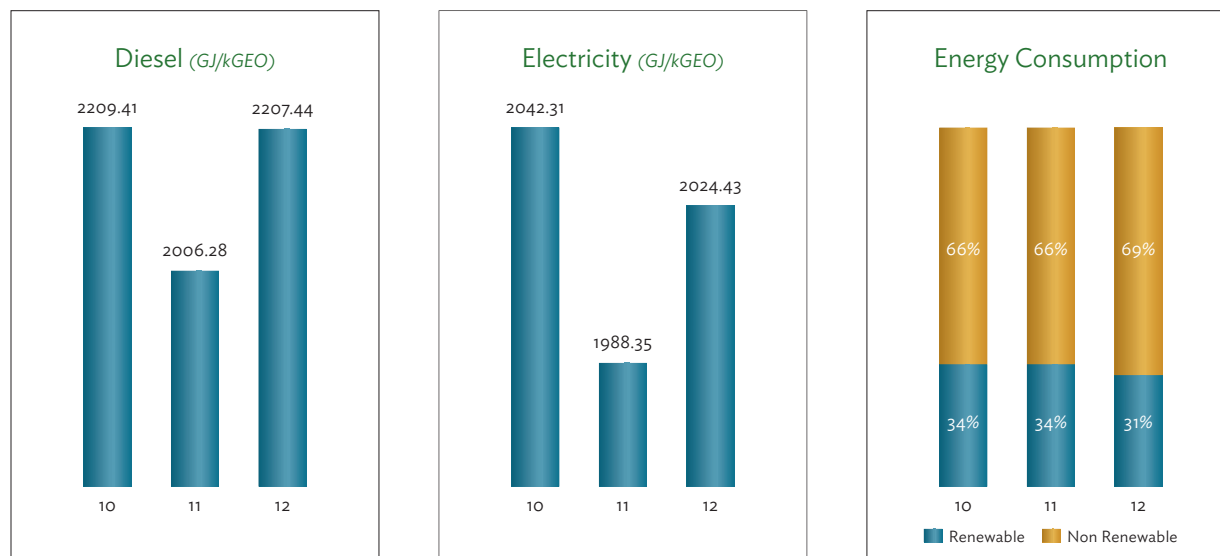
Our target in coming years is to reduce consumption of diesel, electricity and fresh water by 2.5% and solid waste generation by 5%

## Energy Consumption

Yamana's Energy Efficiency Committee was formed in 2011 and has responsibility to develop initiatives to decrease our levels of energy consumption and increase overall energy performance.

In 2012, we began looking into the viability of using solar power panels at two of our operations. At El Peñón, we studied using solar energy to heat water and if implemented the solar panels will improve on the over 6% reduction in electricity consumption we already achieved at the operation. At Pilar, we acquired photovoltaic solar panels to provide power for the site offices.

As a result of our expanding operations and development projects, total energy consumption increased in 2012 by 6% to 4,231.87 GJ/kGEO (diesel + electricity). The ratio of renewable to non-renewable energy consumption changed slightly this year as there was an increase in the relative amount of non-renewable energy consumption. This is related to the increase in energy consumption at operations outside of Brazil, which has the cleanest energy matrix, and the drought in Brazil, which affected the availability of hydroelectric power.





# INVESTED AND COMMITTED



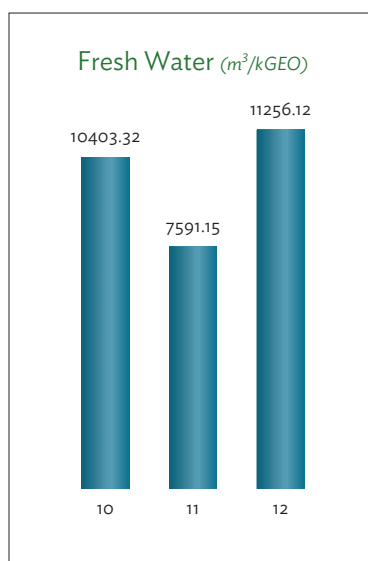
In 2012, our environmental investments reached \$15,344,520. This investment includes improvements at our operations, our development projects, and the closing of our operations in the US.

## Water Consumption

We used approximately 13.5 million cubic meters of fresh water from the following sources: rivers (6.5 million m<sup>3</sup>); aqueducts (0.83 million m<sup>3</sup>); wells (2.26 million m<sup>3</sup>); mine water (3.89 million m<sup>3</sup>). This number represents approximately 20% of the total water used at our operations. In other words, approximately 80% (55.64 million m<sup>3</sup>) of the total water volume was reused in mineral processing at the operating units.

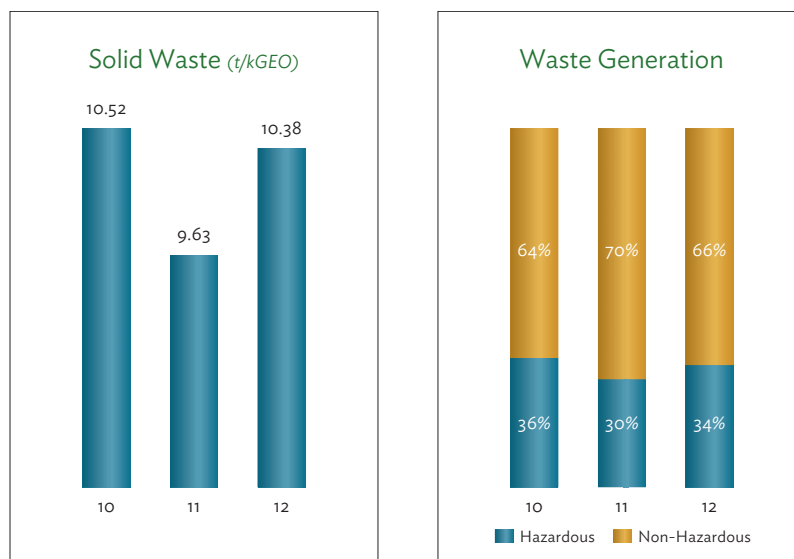
The increase in water consumption over 2011 is mainly the result of an expansion of the water storage facilities at Chapada. This expansion will support the planned increase to production in coming years. It is notable that at Chapada we are authorized to use up to 10,300,000 m<sup>3</sup>/year, or 5% of the Dos Bois River's water flow, and in 2012 we used 5,800,000 m<sup>3</sup>/year, or just 2.8% of total water flow.

Along with continued efforts to reduce water consumption, Yamana monitors the quality of surface and ground water inside and outside operational boundaries. Hydrogeology and geochemical programs enhance this monitoring by identifying and controlling environmental factors that may impact water quality.



## Waste Management

All of Yamana's operations have a Solid Waste Management Plan which outlines how waste is separated and properly disposed of, based on defined categories. In 2012, approximately 12,451 tonnes of non-mineral solid waste was generated, 33.58% being hazardous. Disposal of non-hazardous waste was carried out through sending to sanitary landfills (35.37%), recycling (30.81%) and waste rock dumps (0.24%), while the disposal of hazardous waste was carried out through sending to industrial landfills (10.22%), co-processing (3.58%), re-refining (2.51%) and incineration (17.27%).



## Cyanide Management

Yamana uses sodium cyanide at its operations in compliance with the International Cyanide Management Code (ICMC). ICMC is a voluntary initiative created for managing cyanide in the gold production chain (gold miners, producers/handlers and cyanide transportation) to minimize risks to human health and the environment. Essential for the gold mining industry, cyanide is a chemical product used in almost 90% of the world's gold mines.

As signatories of the Code, all of Yamana's operations underwent independent audits to demonstrate the implementation of the measures complying with ICMC standards. Currently, all of Yamana's operations have full Code compliance certification, except Mercedes, which started production in the end of 2011, and we expect to be fully certified in 2013.

Yamana not only follows the Code's standards but also establishes operating procedures in its management system (YMS) to prevent cyanide-related accidents. The Company also has a mine visitation program to educate internal and external stakeholders about the impact of cyanide and how the Company manages its use to minimize risks.

Visitors take part in lectures and receive educational material regarding the features and necessary precautions to avoid contamination during transportation, unloading, storing and handling of the cyanide. This education initiative also explains Yamana's practices to avoid cyanide accidents and, in the event of an accident, how the Company handles the occurrence in order to avoid any environmental impact.



## Greenhouse Gas Emissions

Yamana works to continuously improve its processes in an effort to reduce greenhouse gas emissions. Our Energy Efficiency Program contributes to these efforts by aiming to reduce consumption of electricity and diesel in our operations.

In 2012, our total emissions were 443,571.13 tons of CO<sub>2</sub> equivalent, representing a 4% decrease from 2011. Direct emissions decreased by 17% compared to 2011, in part due to the increased reforestation of areas around our operations and a decrease in deforestation activities. Indirect emissions related to electricity usage increased by approximately 43%, which is in part due to a change in the Brazilian energy matrix resulting in increased use of thermoelectric power and decreased use of hydroelectric power as a result of drought. Similarly, there was a change in the energy grid in northern Chile, which provides electricity to our El Peñón operation. In 2012, we experienced difficulty validating some emissions previously included, most notably emissions from some third party operators who transport raw materials. As a result our reported emissions for this area were lower than 2011 and we are working with our suppliers to be able to include this information in future reports.

The Greenhouse Gas (GHG) inventory was calculated according to the GHG Protocol methodology, including all operations and corporate offices.

## Absolute Emissions (tCO<sub>2</sub> equivalent)

	2010	2011	2012
Direct GHG emissions	184,677.91	263,190.83	218,362.20
Electricity and heat indirect GHG emissions	122,932.06	131,011.81	187,587.62
Indirect emissions from third party suppliers	71,885.37	68,119.28	37,621.31
Total	379,495.34	462,321.92	443,571.13

## Biodiversity

Preservation of the environment and biodiversity is given due consideration in all of our operational decisions and, through a management matrix, we monitor and assess all potential impacts. The matrix is generated based on an Environmental Impact Assessments established during the feasibility and development stages, and becomes one of the environmental management tools used during operations.

Although there is no formally constituted Biodiversity Management Plan, we have developed a series of measures to mitigate biodiversity impacts. In compliance with our YMS standards, we have developed a Flora and Fauna Management standard (Green Area Management), active during all project stages.

To maintain habitats in areas affected by our mining activities, Yamana develops environmental conservation programs that seek to recreate in the best possible way the original environment, and to conserve threatened habitats with high biodiversity. The animals and plants removed from areas impacted by our operations are relocated to similar habitats to ensure the continuity of their natural life cycles.

### Mine Decommissioning

All of Yamana's operations have a Mine Decommissioning Plan, with the goal of minimizing our impact and restoring the location to its original state. The process considers the unique characteristics of each operation and includes decommissioning cost estimates, which range from \$15 million - \$50 million depending on factors such as: the mining process used at the mine, the type of mine, the area occupied and the decommissioning process used.

Decommissioning lasts at least five years and normally is initiated prior to mine closure. Our decommissioning plans are reviewed and updated every three years, while estimated costs are updated every six months.

We aim to create programs that ensure the continuity of the local economy. Internally, Yamana seeks to reallocate employees to other operations and develop programs for professional orientation and entrepreneurship.

Post-closure, the Company continues to monitor vegetation, water and soil conditions, among others characteristics, in accordance with international mining regulation standards.

Our community relations efforts are guided by four pillars: local development, quality of life, education and culture.



# RESPECT AND COMMITMENT



**Communities** We are committed to working with the communities surrounding our operations to share the benefits of responsible mining. Yamana aims to support sustainable economic development by hiring local employees, working with local suppliers and through our other socio-economic programs. Our efforts have allowed us to build strong relationships based on mutual respect.

## 2012 Highlights

- We introduced citizens meetings at El Peñón and hosted four involving 134 stakeholders
- We initiated the Open Doors program at Mercedes, welcoming 100 members of the public
- We expanded the Partnership Seminar program to Mercedes with the first meetings occurring in 2013
- We hired community analysts at our C1 Santa Luz, Ernesto/Pau-a-Pique and Pilar development projects

Our community relations efforts are guided by four pillars: local development, quality of life, education and culture. Investing in these areas is the way we feel we are best able to contribute to building self-sustaining communities that will continue to prosper after our operations end.

In 2012, we conducted our bi-annual Community Relations Diagnostic Analysis to evaluate the effectiveness of our contributions to the socio-economic development of local communities. This is an important tool used to determine the areas in which our communities are seeking support and acts as a base to guide our social programs in coming years.

## Partnership Seminar Program

Partnership seminars are conducted in the communities surrounding our mines. As part of the program Yamana accepts proposals that will contribute to the sustainable development of local communities. We accept proposals that support local education, and environmental, cultural, economic and health initiatives. Yamana contributed 85% of project financing for a total of \$650,000 in 2012. Approximately 50,000 people directly or indirectly benefited from the 109 projects included in the 2012 program.

SEMINAR BREAKDOWN	2010	2011	2012
Income Generation	34	37	36
Social Assistance	20	35	46
Environment	0	1	0
Education	7	11	13
Health	9	4	3
Culture/sports	9	16	11
Total	79	104	109



## Integration Program

The goal of the Integration Program is to improve the quality of life of people in the communities surrounding our operations by providing support in four areas: health, environment, community and family. Over 20,000 people benefited from 61 initiatives in 2012, which included courses on substance abuse and domestic violence, workshops about entrepreneurship, and environmental education related to recycling.

Within the Integration Program is Integration Day, which is held by all our operations and continues to grow in popularity. Volunteers in partnership with public authorities and members of the private sector offer services free of charge to members of local communities. These services include basic health care, environmental education and completion of legal documentation and issuing needed documents, and can make a significant impact on the quality of people's lives in rural areas.

Surveys are conducted by each operation's Integration Team, comprised of Yamana volunteers, to establish the needs of local communities and to develop a targeted program for each operation. Recent surveys have highlighted health care concerns, motivating us to increase investment in health-related activities. The specific targeting of activities to each community contributes substantially to the popularity of the Integration Day programs.

INTEGRATION DAY BENEFICIARIES	2010	2011	2012
Health	11,427	16,163	18,779
Citizenship	14,498	14,467	14,284
Environmental education and income generation	17,044	20,313	24,754
Leisure	39,618	50,230	48,792
Total	82,587	101,173	106,609

## Open Doors Program

The Open Doors program aims to establish a meaningful dialogue between us and our stakeholders in the community. Through this program the community has the opportunity to learn about our operations, vision, values, safety procedures and environmental management. The program also gives community members an opportunity to provide recommendations for improvement. We have a process in place to ensure suggestions are evaluated and, where appropriate, integrated into our operational guidelines.

In 2012, Yamana hosted 102 visits attended by nearly 1,900 community members, including employees, families, students, community members and other stakeholders. With the launch of the program at Mercedes in 2012, we now host these events at all of our operations.

## Citizen Meetings Program

To further our two-way communications with communities we have developed Yamana Citizen Meetings, which are designed to promote dialogue in order to identify community needs and for us to understand the community's perception of our activities.

Community representatives are able to suggest issues to be discussed, and they do not necessarily need to relate directly to Yamana's operations. In such instances, Yamana positions itself as another social entity within the community.

In 2012, 55 meetings were held at all our operations and development projects in Brazil, Argentina, and Chile, including a meeting for the first time at El Peñón. Approximately 950 community representatives attended and were able to share perspectives with us.

## Educational Programs

Education is the foundation for building prosperous and sustainable communities and we have begun to focus more of our efforts on contributing to the educational needs of the communities near our operations. As with all our community relations efforts, our program is based on a dialogue with representatives from the local communities. In this case, we utilize the expertise of local teachers, school boards and city councils to provide guidance on key educational needs in order to maximize the effectiveness of our contribution.

In Brazil, our efforts have concentrated on basic education. We began a program in 2010 to support the education systems in the communities around the Chapada and Fazenda Brasileiro mines. The two-year program aimed to provide primary school teachers with training through 16 modules focused on teaching methods, motivational strategies and behavioural needs. The success of this program and the teachers who went through it were instrumental in helping students at the supported schools achieve an average increase of 14.5% against standardized tests compared to an average increase of 5% achieved by students at other schools in the regions.

In Chile, Argentina and Mexico, our educational initiatives have been focused on college preparatory education. In response to the requests of local communities we have supported efforts to offer guidance and support to local students striving to achieve their goal of attending a post-secondary institution. At our El Peñón operation, in the City of Taltal we offered preparatory courses for entrance exams to local universities for 113 students.

## Culture

Supporting local culture is another means of contributing to the communities in which we operate. In 2012, we hosted the first Yamana art competition: "Passion for What We Do". Employees and community members were invited to creatively express Yamana's principles of sustainability, reliability, respect for the environment and communities, and employee safety. Entries were accepted in four categories: paintings, photography, drawing and sculptures. The contest was an overwhelming success with 476 entries received from Brazil, Canada, Mexico, Argentina and Chile. Of these entries, 51 were short-listed with 27 ultimately being named award winners.

## Supporting Local Suppliers

Yamana puts a priority on sourcing goods and services through local suppliers. By doing business with local suppliers, Yamana seeks to contribute to the sustainable economic development of local communities. As a global company, we believe it is important to acknowledge that Yamana regards local suppliers as those companies with operations within a 100 kilometre radius of our mine sites.

In 2012, purchases through local suppliers increased 23% from 2011 to \$217.8 million. These contracts represented 15.8% of total goods and services purchased.

	2010	2011	2012
Share of purchases made in the countries where Yamana operates	90.9%	93.7%	88.0%
Share of purchases made in the provinces where Yamana operates	37.8%	36.7%	30.2%
Share of purchases made in the communities where Yamana operates	18.6%	17.5%	15.8%

	BRAZIL	ARGENTINA	CHILE	MEXICO	TOTAL
Total purchases (US\$ million)	887.6	231.5	161.4	95.0	1,376.0

In an effort to continue increasing the volume of business we conduct with local suppliers, Yamana has created a supplier portal. This portal allows vendors to submit their qualifications and services for pre-approval, and to review our upcoming requirements. The portal also allows suppliers to review and understand our health, safety, environment and social responsibility standards.

The Supplier Development Program has been another important tool in helping to increase the volume of business Yamana conducts locally. The program's goal is to help local business communities understand Yamana's needs and to increase the capacity of those businesses interested in conducting business with Yamana. In 2012, 46 training events covering management development, worker training, and certification were held, with 590 people attending. In addition, 150 visits were made to local suppliers to better align the needs of local businesses with Yamana's needs.

All suppliers that join Yamana's supply chain are given a copy of our Code of Conduct to ensure they understand and accept the Company's guidelines for conduct, ethics and transparency. Suppliers are also given a document outlining the human rights requirements concerning freedom of association, collective bargaining, child labor, and forced or compulsory labor. Additionally, for any contract greater than US\$1.0 million, periodic reviews take place through the framework of the Yamana Management System. In the event that a supplier does not comply with a certain mandate, contracts are suspended, and suppliers are granted an agreed-upon period to correct the issue before the Company decides to continue or cancel the contract.

## Reporting Procedures

Our sustainability reporting procedure continues to evolve in an effort to maintain transparency and accountability to our stakeholders. The Company's 2012 CSR report is the fifth report to be published in accordance with the Global Reporting Initiative – GRI (G3.1 version) guidelines, and covers economic, environmental, and social issues considered material by the Company and our stakeholders.

According to their website, *“the Global Reporting Initiative (GRI) is a non-profit organization that works towards a sustainable global economy by providing sustainability reporting guidance.”* The GRI's framework covers all sustainability topics and is used worldwide by organizations of all sizes and sectors to report sustainability performance. Through the use of GRI's guidelines and indicators, companies are able to release a standardized sustainability report accessible to internal and external stakeholders while providing comparability over time.

By using the GRI Sustainability Reporting Framework, we aim to increase the transparency of reporting on our performance in the four areas of sustainability – economic, environmental, social and corporate governance. The Company reported 63 performance indicators, along with compliance with all Metals and Mining Sector indicators, and the disclosure of information regarding management's approach to each area. For the second consecutive year, the report has been prepared according to the GRI Guidelines, at application level B.

Pre-established internal controls and interviews with management and stakeholders were used to compile information. Issues regarding labor practices and greenhouse gas inventory include operational and corporate offices.

For environmental indicators (diesel, electricity, non-mineral solid waste and fresh water) the Company uses consumption divided by production in gold equivalent ounces (GEOs) as a calculation base.

In 2012, we worked to improve our process to define the materiality of topics addressed in this report through a comprehensive formal opinion survey of our stakeholders, including communities, governments, our employees and the non-profit sector.

As a result of the participation of 77 stakeholders, we identified environmental conservation, interaction with communities, health and safety, transparency and communication of results, and personnel management as material to reporting our sustainability performance.

This 2012 report is published in three languages: Portuguese, Spanish and English. The GRI Content Index presents the reported indicators, indicating the pages on which they can be located. No re-statement of information provided in earlier reports has been necessary. To find out more on GRI guidelines and indicators used in this report, log on to: [www.globalreporting.org](http://www.globalreporting.org)

## Corporate Structure

Yamana is a publicly traded corporation listed on the Toronto Stock Exchange (symbol: YRI) and the New York Stock Exchange (symbol: AUY). Our principal product is gold, with its sale accounting for the majority of revenues. Yamana sells its precious metals into the worldwide commodities market at the spot price, and does not rely solely on one purchaser. The Company began producing gold-copper concentrate in 2007 at its Chapada mine, which significantly adds to the revenues and cash flows generated from the Company's production. Yamana has contracts with a number of smelters, refineries and copper-trading companies to sell its gold-copper concentrate.

The Company's operating assets include the El Peñón and Minera Florida mines in Chile; the Gualcamayo and Alumbrera (12.5%) mines in Argentina; the Mercedes mine in Mexico; and the Chapada, Jacobina and Fazenda Brasileiro mines in Brazil.

Additionally, Yamana has a strong pipeline of development and advanced stage exploration projects including the Ernesto/Pau-a-Pique, C1 Santa Luz and Pilar projects in Brazil; and the QDD Lower West deposit at Gualcamayo and Cerro Moro in Argentina. These assets, along with others, will contribute to the Company's expansion going forward.

Our stakeholders include shareholders, the investment community, employees, contractors, suppliers, local community members, regulators, and government and non-government organizations. Stakeholder engagement is ongoing on a local and corporate level. Yamana is committed to effective stakeholder engagement which can take many different forms and include investor presentations, community relations, meetings with local business groups and government officials, and employee conference calls. The reasonable expectations and interests of stakeholders are a key reference point for many decisions in the preparation of this report.

Yamana was continued under the Canada Business Corporations Act on February 7, 1995. During 2012, there were no significant changes regarding the Company's size, structure, or ownership.



## Performance Indicators

### Economic Value Generated and Distributed

Yamana strives to create economic opportunities in the areas surrounding its operations and development projects. In addition to generating economic value for our shareholders we are dedicated to creating opportunities for members of our local communities by purchasing local goods and services, creating job opportunities, building community infrastructure, paying taxes and royalties to local governments, helping local entrepreneurs and in general strengthening the sustainability of each community.

In 2012, the direct economic value generated by Yamana for its stakeholders included:

#### ECONOMIC VALUE ADDED

Direct community investments	\$6.7M
Corporate donations and sponsorships	\$1.3M
Tax and royalty payments to local governments	\$353.7M
Shareholder value (dividends)	\$168.2M

KEY ORGANIZATIONAL CHARACTERISTICS	2010	2011	2012
Revenue (thousands)	\$1,686,811	\$2,173,325	\$2,336,762
Net earnings (thousands)	\$466,487	\$548,294	\$442,064
Adjusted earnings (thousands)	\$448,203	\$712,896	\$694,333
Annual production (GEO)	1,090,478	1,102,296	1,201,010
Total assets (thousands)	\$10,319,092	\$10,769,940	\$11,800,163
Market Capitalization (thousands)	\$9,621,760	\$10,977,836	\$12,971,177

## Benefits Provided to Full-Time Employees

### BY-LAW BENEFITS COVERING

Mine Transportation	
Maternity leave	All full-time employees
Paternity leave	
Variable remuneration	

### ADDITIONAL BENEFITS COVERING

Health care	
Dental care	
Group life insurance	All full-time employees
Disability coverage	
Retirement plan	
Others (language scholarships / educational assistance)	

### NON-RENEWABLE MATERIALS 2012 UNIT

Fuel	72,645,309	l
Explosives	21,078,074	kg
Tires	2,769	pc
Cyanide	6,761,571	kg
Balls	19,395,262	kg
Lime	2,323,12	kg
Power	674,662	MwH
Xanthate	555,094	kg

## GRI Index

GRI INDICATOR	RESPONSES	STATUS
<b>1. Strategy and Analysis</b>		
1.1. Statement about the relevance of sustainability	Message from the CEO – Page 4	Fully answered
1.2. Key impacts, risks and opportunities	Message from the CEO – Page 4 Environment – Page 27 Additional information on all key impacts, risks and opportunities can be found in our 2012 Annual Information Form at <a href="http://www.yamana.com">www.yamana.com</a>	Fully answered
<b>2. Organizational Profile</b>		
2.1. Name of the organization	Company Overview – Page 2	Fully answered
2.2. Primary brands, products, and/or services	Corporate Structure – Page 43	Fully answered
2.3. Operational structure	Corporate Structure – Page 43	Fully answered
2.4. Location of the organization's headquarters	Contact Information – Page 57	Fully answered
2.5. Geographic breakdown	Company Overview – Page 2	Fully answered
2.6. Legal nature and ownership form	Corporate Structure – Page 43	Fully answered
2.7. Markets served	Corporate Structure – Page 43	Fully answered
2.8. Scale of the organization	Our Employees – Page 18 Corporate Structure – Page 43	Fully answered
2.9. Significant changes during the reporting period	There were no significant changes in corporate structure during the reporting period.	Fully answered
2.10. Awards received in the reporting period	Acknowledgements and Awards – Page 8	Fully answered
<b>3. Report Parameters</b>		
<b>Report Profile</b>		
3.1. Reporting period	Reporting Procedures – Page 42	Fully answered
3.2. Date of most recent previous report	Reporting Procedures – Page 42	Fully answered
3.3. Periodicity	Reporting Procedures – Page 42	Fully answered
3.4. Information for contact	Contact Information – Page 57	Fully answered

GRI INDICATOR	RESPONSES	STATUS
<b>Report scope and boundaries</b>		
3.5. Process for defining report content	Reporting Procedures – Page 42	Fully answered
3.6. Report boundary	All countries, regions and operations were considered in this report.	Fully answered
3.7. Scope and boundary of the report	Reporting Procedures – Page 42	Fully answered
3.8. Basis for reporting	Reporting Procedures – Page 42	Fully answered
3.9. Data measurement techniques and bases of calculations	Reporting Procedures – Page 42	Fully answered
3.10. Effect of re-statements of information	There have been no re-statements of information.	Fully answered
3.11. Significant changes from previous reporting periods	Reporting Procedures – Page 42	Fully answered
<b>GRI Content Summary</b>		
3.12. Location of the information	GRI Content Index – Page 46	Fully answered
<b>Assurance</b>		
3.13. External assurance	Reporting Procedures – Page 42	Fully answered
<b>4. Governance, Commitments and Engagement</b>		
<b>Governance</b>		
4.1. Governance structure	Corporate Governance – Page 12	Fully answered
4.2. Identification of the main executive officers	Corporate Governance – Page 12	Fully answered
4.3. Statement of the number of members from the highest governance body that are independent and/or non-executive	Board Development – Page 13	Fully answered
4.4. Communication channels with the Board	Yamana has mechanisms to ensure recommendations are received by the highest governance body (Board Development – Page 13) from any stakeholder group (employees, trade unions, shareholders, government, communities, among others). We also have programs to identify recommendations from communities (Open Doors Program – Page 39; Citizen Meetings Program – Page 40).	Fully answered

GRI INDICATOR	RESPONSES	STATUS
4.5. Linkage between compensation for members of the highest governance body, senior managers, and executives (including severance packages), and the organization's performance (including social and environmental performance).	Executive Compensation – Page 14	Fully answered
4.6. Processes in place for the highest governance body to ensure conflicts of interest are avoided.	Our Business Values and Conduct – Page 15	Fully answered
4.7. Process for determining the qualifications and expertise of the members of the highest governance body for guiding the organization's strategy on economic, environmental, and social topics.	Board Development – Page 13	Fully answered
4.8. Statements of mission, values, codes of conduct, and internal principles	Sustainability Principles & Management – Page 11 Our Business Values and Conduct – Page 15 Yamana's Nine Golden Rules – Page 23	Fully answered
4.9. The Board's initiatives on the evaluation of the sustainability performance	Executive Compensation – Page 14 Risk Management – Page 14	Fully answered
4.10. Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental, and social performance	Executive Compensation – Page 14 Risk Management – Page 14	Fully answered
<b>Commitments to External Initiatives</b>		
4.11. Precautionary Approach	Sustainability Principles & Management – Page 11 Risk Management – Page 14	Fully answered
4.12. Charters, principles and initiatives	Commitments and Memberships – Page 10	Fully answered
4.13. Memberships in associations	Commitments and Memberships – Page 10	Fully answered
<b>Stakeholder Engagement</b>		
4.14. List of stakeholders	Corporate Structure – Page 43	Fully answered
4.15. Identification and selection of stakeholders	We are committed to sustainably increasing our performance and we have programs and communication channels (Open Doors Program – Page 39; Citizen Meetings Program – Page 40) to ensure that all our stakeholders (Corporate Structure – Page 43; Reporting Procedures – Page 42) are engaged.	Fully answered



GRI INDICATOR	RESPONSES	STATUS
4.16. Stakeholder engagement	Community Relations – Page 37 Corporate Structure – Page 43	Partially answered
4.17. Key topics and concerns that have been raised through stakeholder engagement, and the organization's adopted measures	Community Relations – Page 37 Reporting Procedures – Page 42	Partially answered

PERFORMANCE INDICATORS	RESPONSES	STATUS
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#### Economic Performance

EC1. Direct economic value generated and distributed.	Performance Indicators – Page 44	Partially answered
EC2. Financial implications and other risks and opportunities for the organization's activities due to climate changes.	<p>Since 2008, the topic of climate change has been considered within Yamana's strategic planning. There are risks inherent in our process, such as the occurrence of torrential rains which can lead to flooding and damage to equipment and mine infrastructure; consequently, this can expose workers, neighboring communities, and the environment to accidents from natural causes and result in the temporary interruption in production. On the other hand, the lack of rain can lead to water shortages, which affects mining operations and ore processing, hindering the control of particulate matter normally achieved through water spray.</p> <p>To manage these risks, the company has in place a set of corporate norms that are based on best international practices and technical norms such as the Risk Management Guidelines AS/NZS 4360:2004.</p>	Partially answered
EC3. Coverage of the organization's defined benefit plan obligations	Performance Indicators – Page 45	Partially answered
EC6. Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation	Supporting local suppliers – Page 41	Fully answered
EC7. Procedures for local hiring and proportion of senior management hired from the local community	Employees – Page 18	Partially answered
EC8. Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro bono engagement	The invested amount in infrastructure in the cities where Yamana operates was US\$1,098,000 in 2012.	Partially answered

PERFORMANCE INDICATORS	RESPONSES	STATUS
<b>Environmental Performance</b>		
EN1. Materials used	Material consumption is managed by each operation and office, which work for better efficiency and safer utilization of products used throughout gold production at Yamana.  Cyanide Management – Page 33 Performance Indicators – Page 44	Fully answered
EN2. Percentage of materials used that are recycled input materials.	No recycled materials are used in the production of primary metals	Fully answered
EN3. Direct energy consumption	Energy Consumption – Page 29	Fully answered
EN4. Indirect energy consumption by primary source.	Energy Consumption – Page 29	Fully answered
EN5. Energy saved due to conservation and efficiency improvements.	Energy Consumption – Page 29	Fully answered
EN8. Total water withdrawal by source	Water Consumption – Page 32	Fully answered
EN9. Water sources significantly affected by withdrawal of water.	Water Consumption – Page 32	Fully answered
EN10. Percentage and total volume of water recycled and reused	Water Consumption – Page 32	Fully answered
EN11. Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas.	Our Minera Florida unit, in Chile, covers 16,000 ha of part of the Preservation Area of Altos de Cantillana, 14,000 ha of which is preserved by Yamana. In Brazil, the Jacobina Unit is located next to the Sete Passagens State Park, covering 2,700 ha. Both areas are of relevant interest in terms of biodiversity, and for this reason we contribute as partners in regional biodiversity preservation programs	Fully answered
EN12. Description of significant impacts on biodiversity	Biodiversity – Page 34	Partially answered
EN13. Habitats protected of restored.	Part of the Preservation Area of Altos de Cantillana, 14,000 ha, is preserved by Yamana. In Chile, we have been partners in the Public and Private Committee of Altos de Cantillana for seven years in the Palma-Chilena reforestation program and have contributed significantly to the conservation of this endangered species. Over the past two years, we have planted 69,000 seedlings and replanted 23,000 in their natural habitat.	Fully answered

PERFORMANCE INDICATORS	RESPONSES	STATUS
EN14. Strategies, current actions, and future plans for managing impacts on biodiversity.	Biodiversity – Page 34	Partially answered
EN16. Total direct and indirect greenhouse gas emissions by weight	Greenhouse Gas Emissions – Page 34	Fully answered
EN17. Other indirect greenhouse gas emissions	Greenhouse Gas Emissions – Page 34	Fully answered
EN19. Emissions of ozone-depleting substances by weight	Yamana never uses or emits substances that are responsible for damaging the ozone layer	Fully answered
EN20. NOx, SOx, and other significant air emissions by type and weight	In 2012, for the first time ever, we quantified our NOx and SOx emissions (based on the IPCC 2006 methodology) resulting from the combustion of diesel fuel, LPG, and explosives, all of which are common in mining activities. Considering all operating units, we recorded emissions of 595.51 metric tons of NOx and 44.39 metric tons of SOx.	Fully answered
EN21. Total water discharge by quality and destination	Concerning wastewater management, in 2012 the Jacobina unit treated a total of 117,660 m <sup>3</sup> , which was the volume discharged into the Santo Antônio River, complying with the legal standards for discharge specified in the permit for water discharge.	Partially answered
EN22. Total weight of waste by type and disposal method.	Waste Management – Page 32	Fully answered
EN26. Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation.	Environmental Performance – Page 28 Water Consumption – Page 32	Fully answered
EN28. Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations	In 2012, a notice of infraction was issued as a result of an alleged spill of tailings containing sodium cyanide on June 23, 2012, occurred in Jacobina.  A notice of infraction was issued due to the lack of an Environmental License for the operation of a sewage treatment station at Fazenda Brasileiro.  The Minera Florida operation was fined due to unauthorized cutting of timber.  These three cases resulted in fines totaling US \$29,193.85.	Fully answered
EN30. Total environmental protection expenditures and investments by type	Environment – Page 28	Fully answered

PERFORMANCE INDICATORS	RESPONSES	STATUS
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#### Social Performance – Labor Practices and Decent Work

LA1.	Total workforce by employment type, employment contract and region, by gender.	Our Employees – Page 18	Partially answered
LA2.	Total number and rate of employee turnover by age group, gender, and region.	Our Employees – Page 19	Partially answered
LA3.	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by major operations.	Performance Indicators – Page 45	Fully answered
LA4.	Percentage of employees covered by collective bargaining agreements	100% of the employees in Argentina, Brazil, Chile, and Mexico are covered by collective bargaining agreements. In Toronto (Canada) and Reno (USA), contracts are individual and in compliance with local policies, regardless of the employee's functional category.	Fully answered
LA6.	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs.	100% of employees are represented in the SHEC (Health, Safety, Environment and Community) committees. Additionally, there are other local committees, as the CIPAs in Brazil and the fire brigades.	Fully answered
LA7.	Rates of injury, occupational diseases, lost days and absenteeism, and total number of work-related fatalities by region and gender.	Health and Safety – Page 25	Partially answered
LA8.	Education, training, counseling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases.	Integration Program – Page 39	Fully answered
LA9.	Health and safety topics covered in formal agreements with trade unions	We have entered into formal agreements with unions to cover health and safety issues such as the fire brigade, lifelong job stability for workers with occupational diseases (provided the diseases are confirmed in compliance with the applicable legislation), safety conditions of the facilities, employee rights to refuse unsafe work, guaranteed access to occupational medical examinations, introductory training showing significant risks to which workers are exposed, and important means of protection, among others. The characteristics of the individual agreements vary depending on location, since these are influenced by the local applicable legislation.	Fully answered

PERFORMANCE INDICATORS	RESPONSES	STATUS
LA10. Average hours of training per year, per employee, by gender and by employee category.	Employees – Page 18	Partially answered
LA12. Percentage of employees receiving regular performance and career development reviews, by gender.	Employees – Page 18	Partially answered
LA14. Ratio of basic salary of men to women by employee category, by major operations.	Diversity – Page 19	Fully answered
LA15. Return to work and retention rates after parental leave, by gender.	Retention rates after parental leave was 100%, in accordance with current local laws.	Partially answered

#### Social Performance – Human Rights

HR1. Percentage and total number of significant investment agreements and contracts that include human rights clauses or that have undergone human rights screening.	Supporting local suppliers – Page 41	Partially answered
HR4. Total number of incidents of discrimination and corrective actions taken	In 2012 we had no recorded instances of discrimination.	Fully answered
HR5. Operations identified in which the right to exercise freedom of association or collective bargaining may be at significant risk, and actions taken to support these rights	The Company respects its employees' right to exercise freedom of association or collective bargaining. In 2012, there was no record of disrespect of these rights.	Fully answered
HR6. Operations and significant suppliers identified as having significant risk for incidents of child labor, and measures taken to contribute to the effective abolition of child labor.	In 2012, there were no recorded incidents regarding child labour. Supporting local suppliers – Page 41	Fully answered
HR7. Operations identified as having significant risk for incidents of forced or compulsory labor, and measures taken to contribute to the elimination of all forms of forced or compulsory labor.	In 2012, there were no recorded incidents regarding forced or compulsory labour. Supporting local suppliers – Page 41	Fully answered
HR8. Percentage of security personnel trained in the organization's policies or procedures concerning aspects of human rights that are relevant to operations	At our operational sites, one hundred percent of our security staff received training concerning the Code of Conduct.	Fully answered



PERFORMANCE INDICATORS	RESPONSES	STATUS
<b>Social Performance – Society</b>		
SO1. Percentage of operations with implemented local community engagement, impact assessments, and development programs.	Communities – Page 37 Citizen Meetings Program – Page 40	Fully answered
SO3. Percentage of employees trained in organization's anti-corruption policies and procedures.	Our business values and conduct – Page 15	Fully answered
SO4. Actions taken in response to incidents of corruption.	No incidents of suspected fraud were reported in 2012	Fully answered
SO9. Operations with significant potential or actual negative impacts on local communities.	All impacts of our operations are properly identified by specific studies and diagnostics. Actions to mitigate these impacts are taken before, during, and after the operation of the mine. In addition, the company provides a communication channel with the main stakeholders (Open Doors, Citizens' Meetings) where information about the impacts are widely discussed and clarified.	Partially answered
SO10. Prevention and mitigation measures implemented in significant operations with negative impacts on local communities.	Citizen Meetings Program – Page 40	Fully answered
<b>Social Performance – Product Responsibility</b>		
<b>Product and Service Labeling</b>		
PR1. Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures	Our product (gold) is sold rough to refineries, where it is processed in order to be sold as a final product. Our product has no significant impact on people's health and safety.	Fully answered
PR3. Information on products and labeling procedures	Not relevant to Yamana Gold because our product (gold) is sold rough, reducing the packaging needs to zero.	Fully answered

PERFORMANCE INDICATORS	RESPONSES	STATUS
<b>Indicators – Mining and Metals Supplement</b>		
MM1. Amount of land (owned or leased, and managed for production activities or extractive use) disturbed or rehabilitated.	Currently disturbed areas at all of Yamana's operations – Chapada, Jacobina, Fazenda Brasileiro, El Peñón, Gualcamayo, Minera Florida and Mercedes total 3,230 hectares.	Fully answered
MM2. The number and percentage of total sites identified as requiring biodiversity management plans according to stated criteria, and the number (percentage) of those sites with plans in place.	Biodiversity – Page 34	Partially answered
MM3. Total amounts of overburden, rock, tailings, and sludges and their associated risks.	In 2012, Yamana generated 76,280.48 kton of overburden and 35,678.58 kton of tailings. The overburden and tailings generated are managed through the Integrated Management Systems SIGDEP and SIGBAR. Both systems are based on the permanent monitoring of the safety of structures using specific tools. The results of monitoring are evaluated monthly by a geotechnical consultant. This ensures that the main risks associated with tailings dams and overburden pile, such as ruptures, spills, landslides, and generation of acidic water are under control. For tailings dams, a Technical Report is issued monthly by a specialist, reporting on the safety conditions of each dam.	Fully answered
MM4. Number of strike and lock-outs exceeding one week's duration, by country.	In 2012, there were no strikes exceeding one week's duration.	Fully answered
MM5. Total number of operations taking place in or adjacent to Indigenous Peoples' territories, and number and percentage of operations or sites where there are formal agreements with Indigenous Peoples' communities.	In the studies of social and environmental impacts, Yamana identifies and maps the existence of indigenous communities in or adjacent to its operations, properly safeguarding these communities' rights. In 2012, there was no record of units operating in or adjacent to Indigenous Peoples' territories.	Fully answered
MM6. Number and description of significant disputes relating to land use, customary rights of local communities and Indigenous Peoples.	There were no registered significant disputes relating to land use or customary rights of local communities and Indigenous Peoples.	Fully answered

PERFORMANCE INDICATORS	RESPONSES	STATUS
MM7. The extent to which grievance mechanisms were used to resolve disputes relating to land use, customary rights of local communities and Indigenous Peoples, and outcomes.	There were no such disputes in 2012.	Fully answered
MM8. Number (and percentage) of company operating sites where artisanal and small-scale mining (ASM) take place on, or adjacent to, the site; the associated risks and the actions taken to manage and mitigate these risks.	In an area adjacent to the Jacobina mine, Yamana has signed an agreement with the environmental protection agency to support artisanal mining cooperatives. At C1 Santa Luz, Yamana conducted a survey of workers operating artisanal and small-scale mining (ASM). For these workers, Yamana offered the possibility of receiving specific professional trainings. The goal is to prioritize their access to the Company's job vacancies.	Partially answered
MM9. Sites where resettlements took place, the number of households resettled in each, and how their livelihoods were affected in the process.	No resettlements took place at any of our sites in 2012.	Fully answered
MM10. Number and percentage of operations with closure plans.	Mine Decomissioning – Page 35	Fully answered
MM11. Programs and progress relating to materials stewardship	As described in PR1, gold is sold to refineries, where it is processed in order to be sold as a final product.	Fully answered

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