



EMPLOYEES



HEALTH & SAFETY



ENVIRONMENT

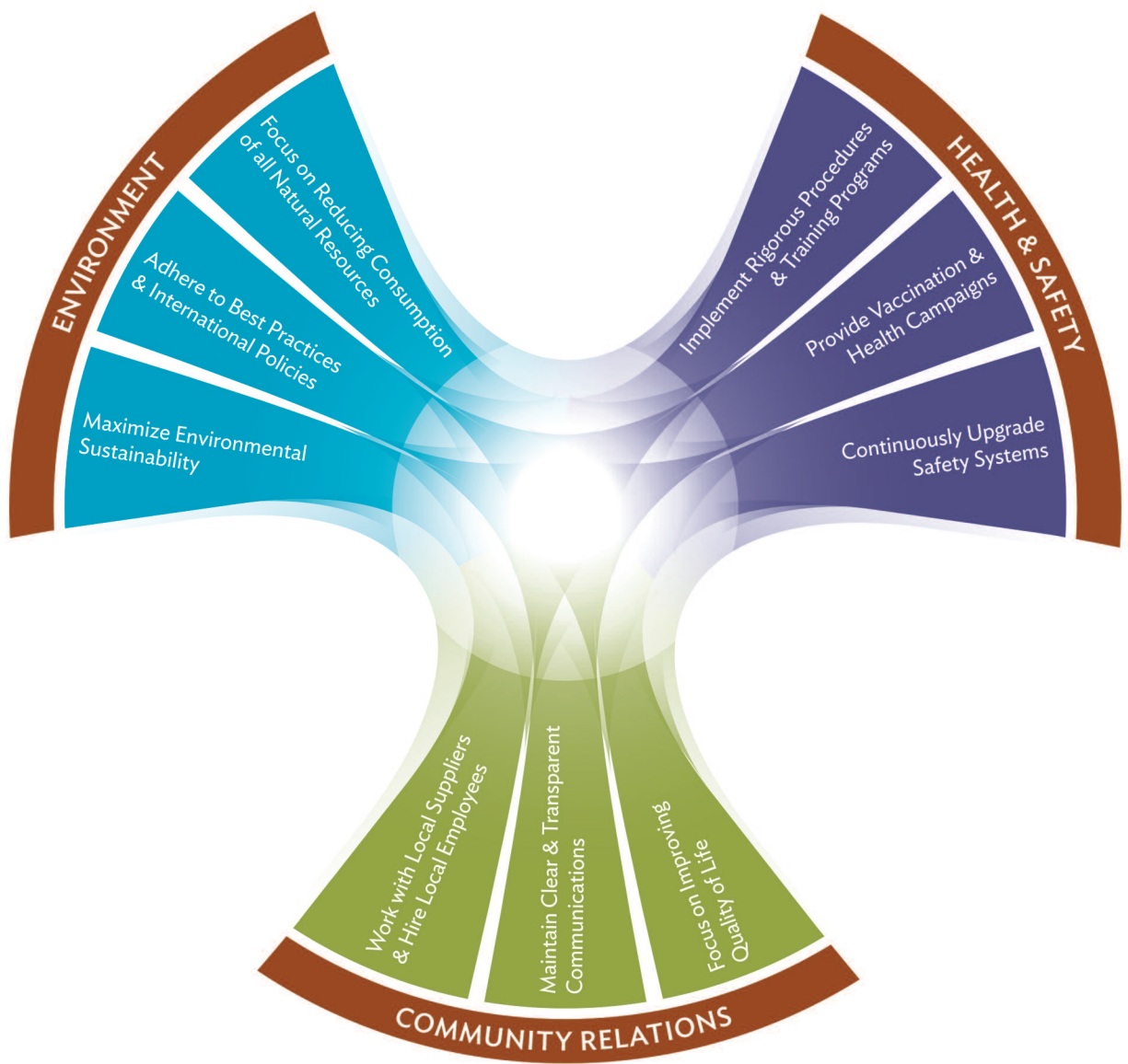


COMMUNITIES



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, Mexico and Canada. 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. Yamana trades on the Toronto Stock Exchange under the symbol YRI and the New York Stock Exchange under the symbol AUU.

Overview	1	Our Environment	41
Our Approach	11	Our Community	51
Our Governance	21	GRI Index	57
Our People	29	Contact Information	ibc
Health and Safety	35		



OUR CSR
PROGRAM exceeds
international standards in all areas
and we are constantly striving to
strengthen our practices.

About this Report

This 2013 report is our sixth on Corporate Social Responsibility (CSR). It is published according to standards determined by the Global Reporting Initiative (GRI), using version G3.1 of the GRI's guidelines. The GRI (www.globalreporting.org) is a global, multi-stakeholder organization that supports a report model fostering transparency, reliability and accountability. It promotes reporting a balance among economic, social and environmental data, and provides stakeholders with a universally applicable, comparable framework for analyzing and understanding disclosed information. Although Yamana has prepared annual sustainability reports since 2006, our reports prior to 2008 were based on the Social Balance quantitative indicators of the Brazilian Institute of Social and Economic Analysis and the Ethos Institute of Social Responsibility.

This year's report addresses indicators compatible with GRI's application level B, and the Metals and Mining Sector Supplement. To review the reported indicators, please see the GRI Table of Contents on page [XX].

Published in Portuguese, Spanish and English, this report contains data and information regarding Yamana's performance for the year ended December 31, 2013, at our mines and projects in Brazil, Chile, Argentina and Mexico. We publish our CSR reports on an annual basis. No restatement of information provided in earlier reports has been necessary.

The information for this report was compiled using data collected through pre-established internal controls, in addition to interviews with the company's management. The labour and greenhouse gas indicators include our corporate headquarters. For environmental indicators, we base our calculations on consumption divided by the production of gold equivalent ounces (GEO).



Our Stakeholders Determine Materiality

This report comprises six sections: Committed to CSR, Our Governance, Our People, Health and Safety, Yamana and the Environment, and Participating in Our Communities. It reports on economic, environmental and social indicators that our stakeholders consider material; that is, information our stakeholders use to evaluate our company.

Yamana's stakeholders include shareholders, the investment community, employees, contractors, suppliers, local community members, regulators, governments and non-governmental organizations. We are committed to consistently and effectively engaging all of our stakeholders through investor presentations, community relations, meetings with local business groups and government officials, and employee conference calls.

This year, we took our stakeholder engagement to a new level. We surveyed community members, government representatives, our employees, and representatives of the non-profit sector to ask what they, our stakeholders, wanted us to address. The results of this survey determined what to include in this report. As such, we present information on environmental conservation, on our interaction with communities, on our health and safety practices, as well as on our relationship with our employees. We were also asked to continue to be transparent in the communication of our results.

Message from our CEO

Corporate Social Responsibility (CSR) is at the core of how Yamana operates. Maintaining our social license to operate is vital to successfully delivering on our growth plans and creating value. We aim to surpass international best practices with our CSR efforts and continually evaluate our health, safety, environment, and community and government relations practices to ensure we are delivering results to all our stakeholders.

2013 was a challenging year for our industry, as precious metals prices declined precipitously early in the year and remained volatile throughout the remainder of the year. We used this change in metal prices as an opportunity to focus our efforts on balancing production growth and cost containment while continuing to uphold our ongoing commitment to responsible mining. In an uncertain metal price environment it is especially important to

demonstrate to all our partners that CSR continues to be a core value at Yamana.

It was in this environment that we advanced our 2013 CSR program and achieved a number of important objectives.

We once again maintained our percentage of local employees at approximately 75%, which is an important way we make sure local communities participate in the benefits of our operations.

We were able to increase attendance and participation for our Integration Program, which provides support to local communities in the areas of health, environment, community and family.

Our successful Citizen meeting program, where we foster two-way communications with our local communities, is now in place at all our operations, including those that began production in 2013.



Our ongoing dedication to our CSR principles was recognized by *Corporate Knights* magazine as we were named 16th on the list of the 50 Best Corporate Citizens in Canada. We appreciate this recognition and are working hard to improve our ranking in coming years.

The achievements outlined in this report are impressive; however, our safety record last year was unacceptable. In response to the incidents at our operations we took immediate actions to improve our safety systems and procedures to better protect our employees and contractors. The lessons we learned as a result of these incidents are being used across all our operations to improve risk management, educate our workforce, and make sure Yamana has a culture that prioritizes safety. I am confident we have taken the necessary steps to ensure acceptable safety results going forward.

With that, I wish to thank all Yamana employees and contractors once again for their dedication and hard work in contributing to our progress. Our local communities, governments and other stakeholders also deserve recognition for continuing to work with us, as we strive to share the benefits of responsible mining. Being socially responsible will continue to be a core value at Yamana as we continue to advance our plans for growth.

PETER MARRONE,
Chairman and Chief Executive Officer

2013 Performance

2013 GOAL	STATUS	COMMENT
Implement legal compliance audit for mines in Brazil.	Accomplished	Audit conducted in the six operations in Brazil between March and July 2013.
Conduct a survey on the perception of the social and environmental programs among Yamana's stakeholders.	Accomplished	More than 1,700 questionnaires were distributed in all mines in Brazil, Argentina, Chile, and Mexico. Of the people interviewed, 67% are familiar with, or have participated in, Yamana's programs.
Consolidate the Yamana Social and Environmental Development Institute in Brazil, migrating existing social programs and implementing new ones.	Accomplished	All programs are already in place throughout the Institute.
Improve efficiency of the Occupational Health Management System, establishing specific monitoring indicators.	Accomplished	The key performance indicators are now being shared via the SHEC Portal. Furthermore, new indicators were established, allowing a better management.
Conduct environmental analyses in real time, using a Geographic Information System (GIS).	Accomplished	The system was implemented and it linked to the SHEC Portal.
Conclude the implementation of social programs in the Mercedes, Ernesto/ Pau-a-Pique, C1 Santa Luz, and Pilar mines.	Accomplished	All programs were implemented.
Validate the Code of Conduct for Suppliers.	Ongoing	In the final development phase.

2014 Objectives

Our CSR objectives for the coming year reflect our on-going commitment to our employees, creating a culture of safety, reducing our environmental impact, and investing in the communities in which we operate:

- Implement the Learning Management System in all the countries where we operate
- Reduce injury rates by at least 15%
- Get the Mercedes mine recommended for certification under the International Cyanide Management Code
- Improve Yamana's overburden management by establishing new management guidelines that reduce impacts and potential future liabilities
- Implement the Volunteer Program in all of Yamana's units
- Implement the Supplier's Code of Conduct.



OUR CORE
VALUES shape the way we do
business and meet our commitments
to our people.

Our Approach: Committed to CSR

Yamana is committed to conducting business according to the letter and spirit of the law and our high standards of ethical 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.

Corporate social responsibility is a core value at Yamana, where health, safety, environmental and community relations programs are integrated into all of our operations. We recognize the importance of striving to meet and exceed our corporate social responsibility objectives, and the integral role our efforts play in generating value for all of our stakeholders.

Some of the ways in which we create economic opportunities and add to a community's general sustainability include: supporting local entrepreneurs, purchasing goods and services from local suppliers, creating job opportunities and developing infrastructure, as well as paying taxes and royalties to governments.

ECONOMIC VALUE Generated and Distributed

- **\$4.2 million** in direct community investments
- **\$1.3 million** in donations and sponsorships
- **\$236.7 million** in tax and royalty payments to local governments
- **\$196.2 million** in dividends to shareholders.

While last year's metal price volatility provided us with an opportunity to reduce our cost structure and create a new baseline cash flow level, it did not deter our commitment to pursuing sustainable business practices. As always, we remain committed to the well-being of our employees and the communities in which we operate, and will continue to work to provide the safest and most beneficial environment possible.

Highlights of Yamana's 2013 corporate social responsibility program include:

- Ranked 16th in *Corporate Knights* magazine's The 50 Best Corporate Citizens, which acknowledges Canadian companies that are raising the bar on sustainability
- Named Company of the Year in the Mining Sector (large company category) by *Brasil Mineral* magazine
- A solid waste disposal centre was donated and built for Jachal, the city closest to Yamana's Gualcamayo mine in Argentina
- At Chapada in Brazil, environmental tests were carried out to evaluate tailings storage facilities and waste rock piles to update the plan for future reclamation activities
- Total attendance and participation increased at Yamana's Integration Program, which provides support to local communities in the areas of health, environment, community and family
- The Citizen Meeting program, which promotes two-way communications with communities, is now in place at all operations
- Yamana ranked one of the top four most sustainable mining categories in Brazil by *Exame* magazine's 2013 Sustainability Guide, which conducts the largest and most prestigious sustainability survey in Brazil.

Putting our Values into Practice

We use three main tools to deliver on our commitment to corporate responsibility: the Yamana Management System (YMS), the Safety, Health, Environment and Communities (SHEC) corporate committee, and our Sustainability Principles.

Our Sustainability Principles

- We continuously strive to minimize our environmental impact
- 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
- We train every employee and contractor to be conscious of safety in his or her daily routines and encourage them to promote responsible mining
- We review our programs and targets on a regular basis to ensure they are aligned with the expectations of our stakeholders and local communities
- We build and operate all of our sites in accordance with rigorous international environmental standards.

SHEC: Monitoring our Performance

Chaired by the President and Chief Operating Officer, the SHEC corporate committee is comprised of certain vice presidents and directors of Yamana and discusses strategic SHEC issues and develops solutions for various mine sites. Additionally, each of our mining operations has a SHEC committee whose goal is to measure the effectiveness and performance of the Company's sustainability programs. Chaired by the mine's general manager, every committee meets once a month.

The corporate and local SHEC committees oversee a process to help mitigate and prevent environmental and safety incidents, as well as to avert environmental and property damage. Local SHEC committees review major risks and processes, along with which actions have been taken to address and mitigate risk to an acceptable level. These actions are then checked during corporate auditing and technical visits. The corporate SHEC committee reviewed and approved this process, which has been a component of the YMS since 2012.

About the Yamana Management System

The Yamana Management System (YMS) is an integrated tool used at all of our operations to assess and manage risks, identify all legal and contractual requirements, define objectives and targets, and includes procedures to ensure compliance with approved policies and management programs. Developed in 2006, this system incorporates the best practices and international standards: ISO 14001 – Environmental Management System; OHSAS 18001 – Occupational Health and Safety Management System; SA 8000 – Social Accountability; the International Cyanide Management Code (ICMC); and, local laws.

Internal and external audits are conducted at our sites to check compliance with the system. We also conduct internal audits at the corporate and local levels, with corporate cross-checks indicating an 86% rate of adherence to our standards in 2013. Additionally, the maintenance and renewal of our cyanide management (ICMC), occupational health and safety management (OHSAS – 18001), and environmental (ISO 14001) certifications require us to comply with regular external audits. Finally, an external audit was performed at our Brazilian operations to double-check their compliance with legally-mandated safety, health and environmental regulations.

A Responsible Gold Producer

Yamana Gold Inc. is a publicly-traded corporation listed on the Toronto Stock Exchange and the New York Stock Exchange under the symbols YRI and AUJ, respectively. Based in Canada, we are a gold producer engaged in gold mining and related activities including exploration, extraction, processing and reclamation. We have significant precious metal properties and land positions throughout the Americas including in Brazil, Chile, Argentina and Mexico.

Yamana plans to continue to build on its current production base through existing operating mine expansions and the development of new mines, the advancement of its exploration properties, and by targeting other gold consolidation opportunities with a primary focus on the Americas.

Principal Products

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. We began producing gold-copper concentrate in 2007 at the Chapada mine, which significantly adds to the revenues and cash flows generated from our production. Yamana has contracts with a number of smelters, refineries and copper-trading companies to sell its gold-copper concentrate.

An Ethical Operator

At Yamana, our respect for human rights permeates all that we do and is a guiding principal of the Yamana Management System. We have also incorporated human rights into our management policies on Social Responsibility and Community and Stakeholder Relations. While we did not have a specific policy on human rights in 2013 we have committed to establishing one in 2014. Our ongoing efforts in this area ensure, among other things, that:

- Child and forced labour will never be part of our activities
- We do not accept any form of discrimination with regard to social class, nationality, religion, sex, sexual orientation, union membership, political affiliation, marital status, or physical characteristics
- We adopt the practice of fair compensation to our employees, adequate to each region, as one of the factors for the maintenance of an appropriate organizational climate, retention of professionals, and socio-economic development of the company and the communities in which we operate
- We guarantee and respect the rights of free association and collective bargaining, through nominated representatives
- Our company does not belong to any political party, and we will not use the Company or its resources to influence the individual choices of our employees or contractors
- We respect the communities in which we operate. Whenever possible, we prioritize the hiring of local residents for our activities, and develop programs aimed at improving their quality of life and adding to their self-sustainability
- We recognize the civil organization as a means to improve people's quality. We remain open to non-governmental organizations and will partner with communities to support projects aligned with our programs.

Included in the Jantzi Social Index

Yamana has been a member of the Jantzi Social Index (JSI) since early 2009. Companies included in this index must pass a set of broadly based environmental, social and governance criteria. Inclusion in this index is a testament to the Yamana's social, environmental, health and safety management programs, which the JSI considers to be above average.

Nature of Ownership

Yamana was continued under the Canada Business Corporations Act on February 7, 1995.

Changes During Reporting Period

During 2013, there were no significant changes regarding the Company's size, structure, or ownership.

FINANCIAL HIGHLIGHTS	2013	2012	2011
Revenue (thousands)	\$ 1,842,682	\$ 2,336,762	\$ 2,173,325
Net profits (thousands)	\$ (446,247)	\$ 442,064	\$ 548,294
Adjusted profits (thousands)	\$ 273,358	\$ 694,333	\$ 712,896
Annual production (GEO)	1,197,559	1,201,010	1,102,296
Total assets (thousands)	\$ 11,410,717	\$ 11,800,163	\$10,769,940
Market Capitalization (thousands)	\$ 6,320,138	\$ 10,977,836	\$ 9,621,760

Our Portfolio

Yamana takes a portfolio approach to managing our assets. This approach allows us to minimize risk to our shareholders by balancing performance across our portfolio, which we continually evaluate to ensure we are delivering on our commitment to create value through growth in production and cash flow. At the end of 2013, our portfolio included seven producing mines, three new operations, and two additional development projects. Our long-term objective is sustainable production of over 1.5 million gold equivalent ounces while continuing to balance production growth with cost containment, as we remain focused on maximizing cash flow generation.



* International Cyanide Management Code not applicable

** OHSAS 18001 and Cyanide Code certification an objective for 2014

Commitments & Memberships

Canada

- Canadian Council for the Americas
- International Cyanide Management Code of 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 Empresarios Mineiros – CAEM)
- Group of Mining Companies of the Republic (Grupo de Empresas Mineras Exploradas de la República – Genera)
- 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 de Chile AG)
- National Mining Society (Sociedad Nacional de Minería – SONAMI)

Mexico

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



OUR
REPUTATION for integrity
is our most precious asset and we strive
to promote a culture of ethical
business conduct.

Our Governance: Responsible & Effective

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

Our governance practices meet the applicable requirements in Canada and the United States and best practices in general. We also monitor governance developments to ensure our practices remain current and appropriate. Most of our practices also meet the corporate governance listing standards of the New York Stock Exchange (NYSE) even though we are not required to as a foreign private issuer. You can find details about how our practices differ from the NYSE standards on our website, www.yamana.com.

Promoting Ethical Conduct

Our reputation for integrity is our most precious asset. The board encourages and promotes a culture of integrity and ethical business conduct by:

- Promoting compliance with applicable laws, rules and regulations in all jurisdictions where we do 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
- Ensuring awareness of disciplinary action for violations of ethical business conduct.

Our Code of Conduct Guides Us All

Our code of conduct is Yamana's guide to behaviour and conduct, and protects our reputation. The code applies to everyone at Yamana regardless of title, stature or tenure. This includes our directors, executives and every employee in every country or jurisdiction where we do business, as well as any party acting on our behalf or representing us (like contractors, agents and consultants).

Our code of conduct integrates our 10 core values and covers the following areas:

- Conducting business
- Our relationships with communities and society
- Protecting company resources and assets
- Asking questions and raising concerns
- Annual certification and pledge.

Any potential or suspected violations of the code of conduct, or any laws, regulations or policies must be reported up the chain of command or through the Yamana Integrity Helpline that is available globally 24 hours a day, seven days a week. All reports are confidential and can be made anonymously if the person wishes. There will be no retaliation against anyone who makes a report in good faith.

Our code of conduct has been in place for several years. The corporate governance and nominating committee reviews the code from time to time and last updated it in January 2012. A copy is available on our website at www.yamana.com.

About the Yamana Board

Our Board is highly engaged, and committed to strong stewardship and our long-term success.

The Board is made up of 10 directors who have 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 Board also includes one director who in 2001 was a member of the board of Yamana Resources Inc., a predecessor to Yamana Gold.

Independence and a Lead Director

Nine of our current directors are considered independent based on the Board's criteria for independence and its governance guidelines. The only exception is Peter Marrone because of his role as Chairman and CEO.

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 to Yamana's success to date.

Patrick Mars serves as the Lead Director and provides the Board with independent leadership as appropriate. 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. He also works closely with the Chairman and CEO, providing advice and counsel as appropriate.

Board Development and Education

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.

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 consists entirely of independent directors and 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, are all factors that the committee takes into consideration when recruiting director candidates. Core skills and qualities for serving on the Yamana Board include: financial literacy, integrity and accountability, strategic business development, and excellent communication skills.

The Board also recognizes the importance of ongoing director education and the need for each director to be personally responsible for this process. Each director receives a reference book to help them familiarize themselves with various policies and other company information. The corporate governance and nominating committee also conducts the following as part of our continuing education program:

- Periodically canvasses the directors to determine their training and education needs and interests
- Arranges site visits for directors to see our facilities and operations
- Arranges funding for directors to attend seminars or conferences of interest that are relevant to their position as a director and member of our Board committees
- Encourages and facilitates presentations by outside experts to the Board or committees on matters of particular importance or emerging significance.

DIVERSITY AT YAMANA

The Board is committed to adhering to the principles of diversity and, together with the corporate governance and nominating committee, recognizes the importance of diverse backgrounds, skills and experience, as well as gender diversity when considering potential candidates who possess the core skills and qualities for serving on our Board.

The Board and committee consider the overall composition of the Board and the ideal mix of business, industry and political experience, geographic representation, financial and accounting backgrounds, gender diversity and age to provide effective oversight and support our future growth.

Our Shareholders have a “Say on Pay”

We believe it is important to have regular and constructive engagement with our shareholders that includes feedback on how we compensate our executives. Thus, after initially establishing a three-year advisory vote on executive compensation, the Board has decided to hold this vote at our yearly annual general meetings (“AGM”). This reflects Yamana’s evolution and growth, as well as the importance the Board places on executive compensation.

At our AGM on Wednesday, April 30, 2014, in Toronto, our shareholders voted in favour of our 2013 approach to executive compensation, as described in Yamana’s 2014 Management Information Circular, which is available at www.yamana.com.

Role of the Board

The Board is responsible for the stewardship of Yamana, supervising the management of our business and our affairs and acting in the best interests of the company and our shareholders. Its main duties involve the following, among others:

- Our strategic planning process
- Identifying the principal risks of our business and ensuring we implement appropriate systems to manage these risks
- Succession planning, including appointing senior management and training and monitoring their development
- Establishing a communications policy to facilitate communications with investors and other interested parties
- The integrity of our internal controls and management information systems
- Assessing the effectiveness of the Board, its committees and the contribution of individual directors.

Risk Oversight

The Board has overall responsibility for risk oversight and each Board committee is responsible for overseeing risk in particular aspects of our business. Our Chief of Risk Management, who reports directly to our Chief Financial Officer, leads our risk management activities. We have a system in place to manage the various risks facing our business, including audit and financial risk, sustainability, health and safety and compensation.

In light of our significant growth in 10 years and evolving governance practices, we implemented a new enterprise risk management framework as a good business practice to support management and employees across the company in identifying, assessing and mitigating our principal risks. The new framework provides current and accurate information about our major risks, and allows management to run the business more effectively by minimizing the downside risk while maximizing opportunity within our risk appetite. It involves a multi-phased approach that enables us to:

- Apply appropriate resources to address the most important risks
- Formally integrate risk management into our strategic planning process and business planning
- Reduce operational volatility.

Board Committees

The Board fulfills its mandate directly, and through its four, 100% independent, standing committees: audit committee, compensation committee, corporate governance and nominating committee, and sustainability committee. The Board may also appoint additional independent or *ad hoc* committees from time to time as appropriate.

Audit Committee

The audit committee provides assistance to the Board in fulfilling its financial reporting and control responsibilities to our shareholders and the investment community. Yamana's external auditors also report directly to the audit committee.

Compensation Committee

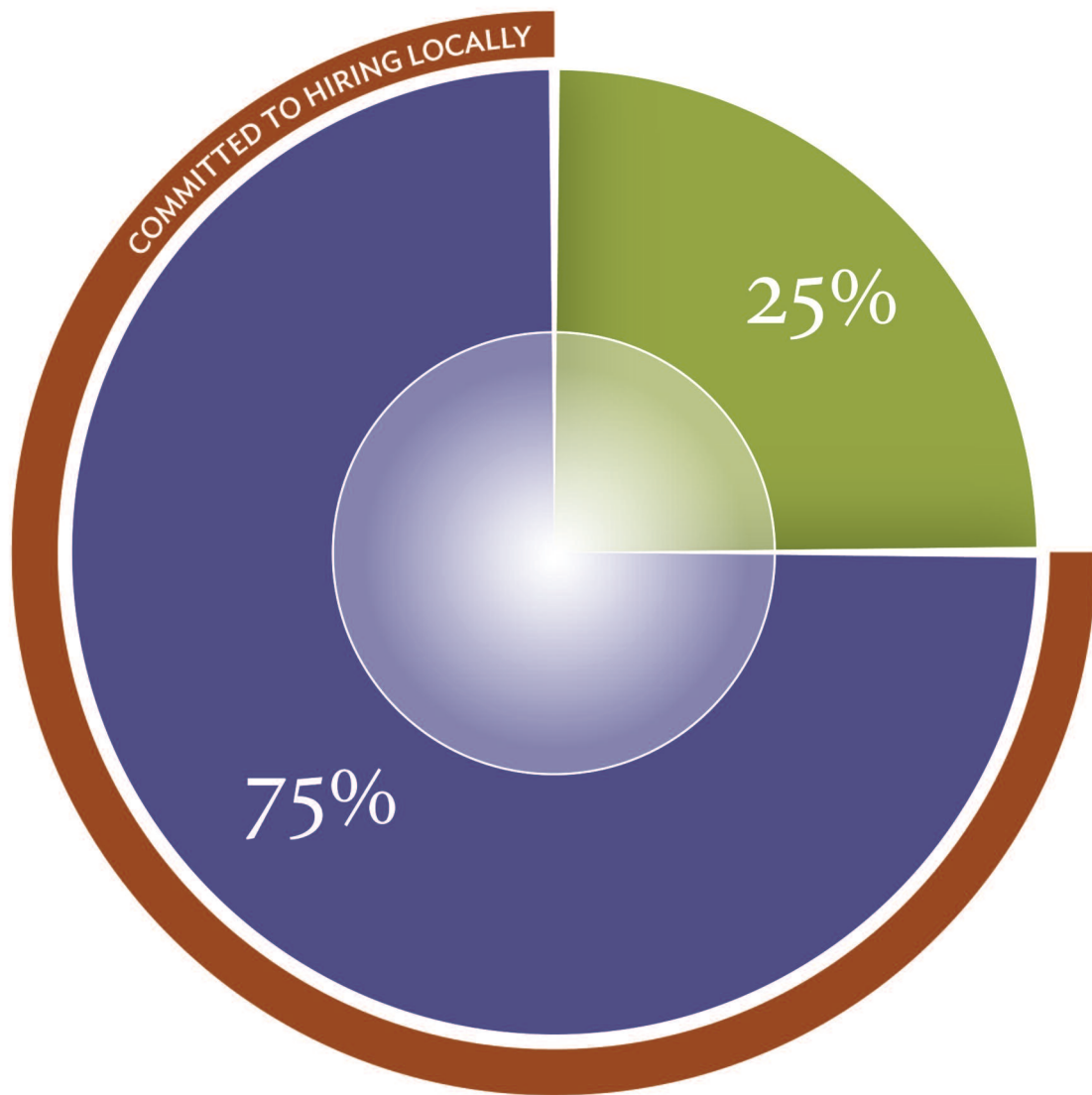
The compensation committee, composed entirely of independent directors, is responsible for recommending strategy, policies and programs for compensating and developing directors and senior management.

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 include monitoring the implementation and management of our policies, procedures and practices relating to these four areas of corporate responsibility.



- Employees from Local Communities
- Employees from Other Communities

WE ARE
COMMITTED to local
economic development by employing
people from our local communities
whenever possible.

Our People: Efficient & Engaged

At Yamana, we strive to create an environment where our people can thrive. We work hard to promote diversity and hire locally whenever possible. We believe employees are motivated to contribute to our collective success when they are supported with the resources needed to achieve their individual goals.

Meet Our Team

Hiring locally is one of key ways that we contribute to the economic health of the communities in which we operate. Approximately 75% of our employees are from local communities, with 38% of our management team coming from the states in which we operate. We recognize the opportunity to attract more women to Yamana, as women make up approximately 7% of our total workforce. That said, our Code of Conduct ensures that there is no distinction between each gender, and in practice there is no distinction between each gender's salaries within the same employee category.

	EMPLOYEES	CONTRACTORS	TOTAL
Argentina	1,059	508	1,567
Brazil	2,972	2,670	5,642
Canada	83	13	96
Chile	1,981	2,049	4,030
Mexico	508	204	712
USA	11	6	17
Total	6,614	5,450	11,258

An Attractive Environment

In 2013, we invested more than US\$73 million in benefits for our employees. In addition to those legally required by each country, our employee benefits include: a health plan, a dental plan, group life insurance, disability coverage, a pension plan, language course scholarships, variable remuneration, and an education allowance.

Our low voluntary turnover rate of 3.84% demonstrates our success at creating an attractive workplace that is aligned with international best practices. Additionally, 100% of men and 81% of women returned from parental leave in 2013, with all those who returned staying with Yamana for at least 12 months after re-entering our workforce.

Benefits provided to full-time employees

LEGAL BENEFITS	COVERAGE
Transportation to the mine	All full-time employees
Maternity leave	
Paternity leave	
ADDITIONAL BENEFITS	COVERAGE
Health care	All full-time employees
Dental care	
Group life insurance	
Disability Coverage	
Retirement plan	
Variable remuneration	
Other (language courses/education allowance)	

SUPPORTING FAMILIES

The Yamana Gold LIFE program at Argentina's Gualcamayo mine promotes a better work-life balance. The program, which centralizes employee benefits and human resources policies, emphasizes health, recreation and family life.

Communicating Effectively

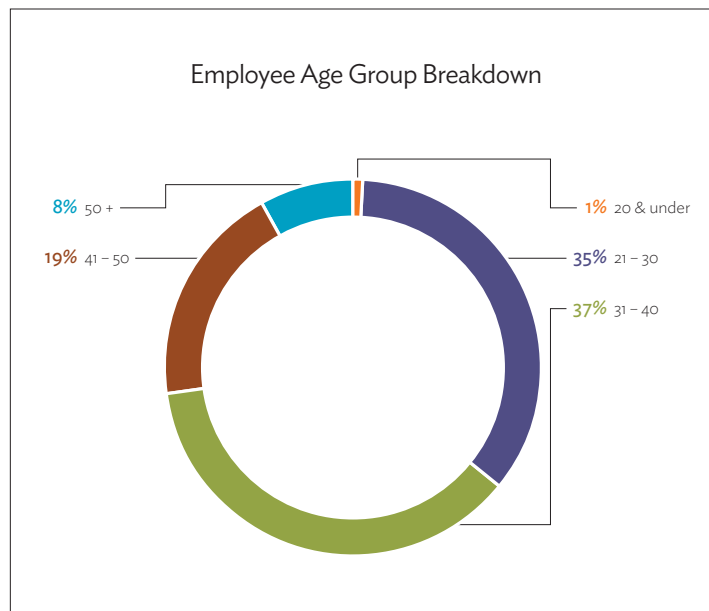
We believe that an effective internal communications process is a key factor in creating a positive work environment. In addition to our bi-annual company-wide employee survey, in 2013, we set out to understand further how our employees perceive Yamana's internal communications, and held focus groups and interviews with over one thousand employees from our operations personnel at the Jacobina and Minera Florida mines, as well as in our offices in São Paulo and Santiago. We used this information to establish guidelines for how Yamana communicates with its employees, and these guidelines are now being incorporated into action plans for 2014.

Employee Development

Every employee should be able to develop the skills needed to achieve their career aspirations. We promote a dynamic environment that encourages professional growth, and use tools to provide individual assessment, identify training opportunities and create individual development plans. We also provide financial support for external courses, and grant sabbatical leaves with guaranteed professional reintegration.

In 2013, our human resources department re-evaluated our internal guidelines and developed policies that will guide our programs well into the future. The Learning Management System (LMS), which will be implemented in 2014, is an integrated management tool that standardizes our training and development programs across all our operations. Available to all employees, it also provides easy access to online and in-person professional education.

Another example comes from Brazil, where we launched an online e-learning portal that provides professional development training to remote users. Since June, more than individual 3,000 sessions have been conducted on themes as diverse as corporate activities, behaviour and safety.





YAMANA'S
GOLDEN RULES are
the pillars of our health & safety
practices.

Health and Safety: Attentive & Committed

At Yamana, safety is the responsibility of our entire team. We have several committees, at both corporate and site level, that oversee and audit our safety performance. Further, our agreements with trade unions emphasize occupational health and safety, proper environmental monitoring, providing personal protection equipment, and an employee's right to refuse work that they deem unsafe. Perhaps most importantly, we strive to maintain a culture of safety.

We start with our hiring practices, which aim 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.

Once hired, each employee and contractor immediately begins learning about our standards and safety protocols. New employees and contractors undergo a minimum of 24 hours of training to learn about the hazards they might face, and the means in place to help them prevent accidents. The training includes a review of corporate policies and standards, as well as task-specific instruction designed for each operation and each worker's individual responsibilities. It is also stressed that employees are allowed to refuse to perform a task if they deem it unsafe.

We manage our supply chain in similar manner. One way we evaluate suppliers is by their ability to meet our safety standards, train new suppliers on our expectations, and monitor suppliers throughout our relationship to ensure ongoing compliance with our policies.

Managing our Occupational Health

We provide our employees with all the personal protection equipment necessary for them to perform their functions safely, fitted to each individual as necessary.

In 2013, we used a SharePoint system in our SHEC Portal on the Company's intranet to monitor our employees' health more effectively. The system highlights specific occupational health indicators, and shares that data across our operations. We use this integrated and standardized system to monitor the number of occupational appointments, periodic exams, health campaigns, employees assisted, and absenteeism due to disease or accidents. This allows us to develop better programming, identify local needs, and improve our occupational health management.

Tools for Managing Risk

Our local SHEC committees supervise health and safety at their sites, and meet monthly to discuss: events and incidents, adherence to standards and policies, auditing results, geotechnical assessments, and evaluate proposals to improve our performance.

Technology is one of the many tools that we leverage to mitigate risk. Two examples include energy locking systems in our equipment, and Smartmine, which automates a wide range of operating processes. Currently automating fleet control and communications at Chapada, El Peñón and Jacobina, this system not only reduces our operational risk, it also increases our overall efficiency.

We have also implemented a host of systems that put health and safety at the forefront of our operations. The PDCA cycle (plan, do, check, act) guides our actions; and the Daily Safety Dialogue and Safety Occurrence Record reinforce safe practices by encouraging employees to identify and report areas of concern. Work permits are required before employees work at height, with heat, and in confined places; while the General Managers' safety plans for each mine are monitored monthly. Incidents are analyzed in a timely manner, and any follow up recommendations are quickly put into practice.

Accident Prevention

Every one of our operating sites has an internal Accident Prevention in Mining committee, as well as a local committee that addresses occupational health and safety matters. The committees cover all employees, and are formed by representatives of the company and of employees, who are appointed through voting by all employees. These committees, which comply with local laws, meet monthly to review incidents, adherence to standards and policies, audit results, geotechnical assessments, and evaluate proposals to improve safety performance. We also create temporary or sub-committees to manage unusual events and pre-emptively develop solutions to any potential problems.

Prepared for Emergencies

Although we work hard to mitigate our risk as much as possible, we also recognize the need for emergency preparedness. Every site has an emergency response plan, and conducts periodic simulation exercises, followed by a critical analysis that evaluates responses and recommends improvements. Further, all of our underground mines have a sufficient number of refuge chambers to shelter all employees safely during an emergency.

2013 Safety Performance Indicators

We recognize that improving our safety performance requires continuous attention, investment, and most of all, commitment. This resulted in a 28.4% reduction in the frequency of lost time accidents in 2013, compared to 2012. Despite all these efforts, tragically, Yamana experienced five fatalities during the year. All cases were immediately reported to senior management and the public authorities as required, and internal inquiries were initiated to investigate the causes of the accidents. The results of the inquiries have been used to strengthen and enforce our safety management procedures further to ensure that employees take their safety seriously and to ensure employees understand safety is the priority at all costs.

The significant increase in the Lost Time Injury Severity Rate, as well as Total Lost Days, is as result of the fatalities.

SAFETY AND OTHER PERFORMANCE INDICATORS*	2013	2012	2011
Accident frequency rate	3.04	2.84	2.66
Lost Time Injury Frequency Rate	0.29	0.4	0.28
Lost Time Injury Severity Rate	217.29	68	99
Occupational disease rate	0	0	0
Absentee rate	2.63	2.4	2.5
Accidents without lost time	492	407	328
Lost time accidents	51	66	39
Total lost days	38,864	11,326	13,725
Fatalities	5	1	2

* Based on 200,000 hours worked.

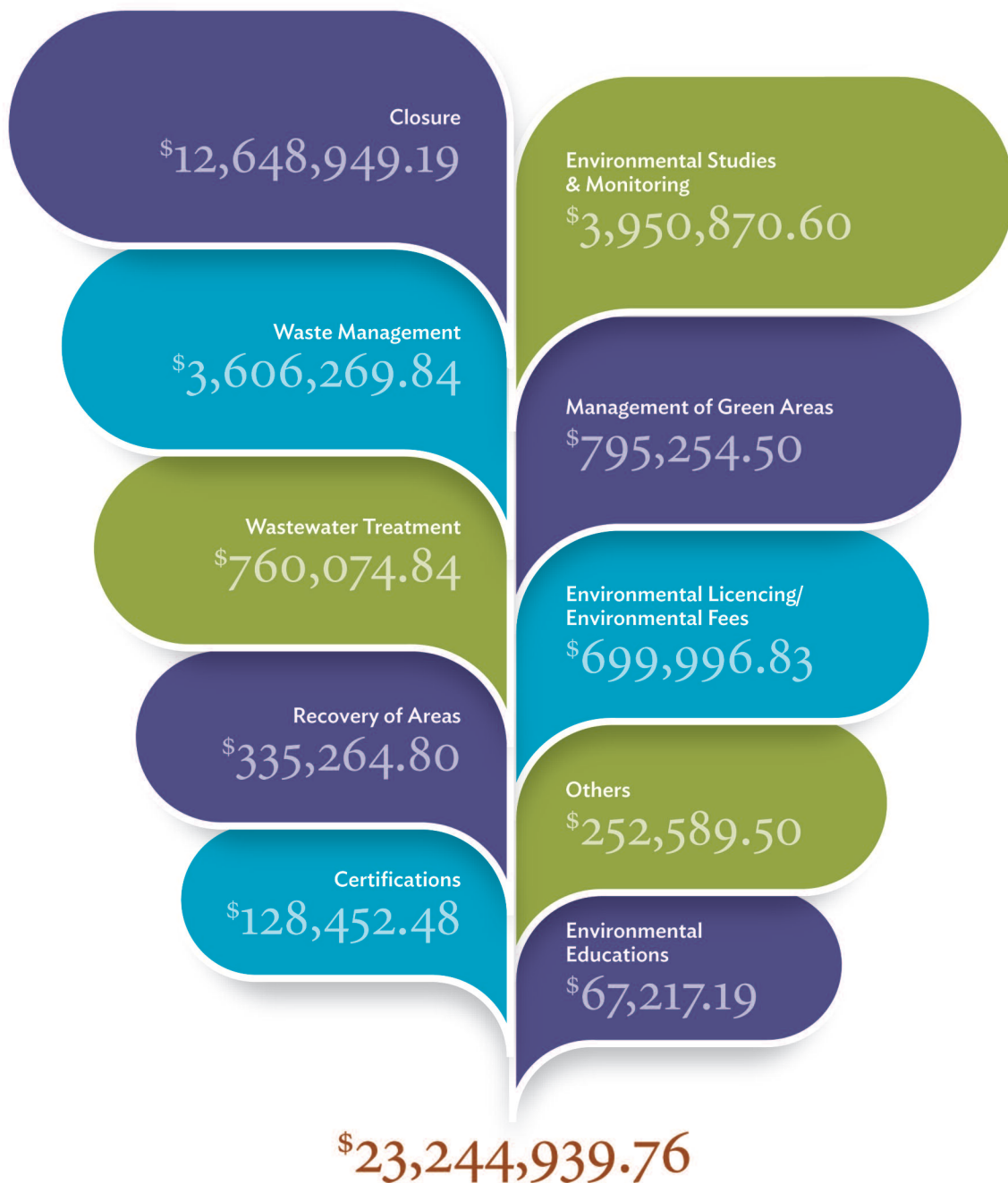
RESPONDING TO EMERGENCIES

Jacobina's emergency brigade is prepared for any emergency. The brigade, which regularly participates in emergency simulations, is qualified to respond in case of fire, explosion, and chemical leakage, and can work in confined spaces and at heights. It doesn't just attend to emergency situations at the mine, but also in the town. In 2013, the mine's emergency brigade responded to the three external events, including fighting a fire in the local marketplace and at a public event.

Committed to Safety

In 2013, we invested in the improvement of our facilities, and enhanced our safety management systems and procedures. Aimed at continuing to build a culture of safety at Yamana, some critical initiatives that emerged from this process are:

- The establishment of the Vice President's sub-committee on accidents
- A review of our internal accident analysis procedure
- The development of an e-learning course on safety for supervisors, managers and directors
- The implementation of a senior leadership visit program that demonstrates Yamana's commitment to the safety of every employee
- Assistance from our senior management SHEC team to the local safety, health, environment and community committees in evaluating the effectiveness of their emergency response plans
- The refinement of our core safety tools, which include the Daily Safety Dialogue, the P.E.A.C.E. (Think, Study, Analyze, Correct and Execute the task with Safety in Portuguese) job risk analysis tool, management inspections, and planned work observations.



ENVIRONMENTAL
INVESTMENTS are an
ongoing priority at all of Yamana's
properties and operations.

Yamana and the Environment

Yamana's environmental policies reflect three areas of focus: minimizing our impact, reducing our consumption of non-renewable energy, and making all of our operations more energy efficient. Our approach informs all aspects of the mining process, from the exploration stage to decommissioning, and we continually monitor our performance across all of our operations.

ENVIRONMENTAL INDICATORS	2013	2012	VARIATION
Diesel (m ³ /kGEO)	75.49	60.55	+24.68%
Electricity (MWh/kGEO)	689.00	562.34	+22.52%
Solid waste (t/kGEO)	11.89	10.38	+14.5%
Fresh water (m ³ /kGEO)	12,911.79	11,256.12	+14.70%

Yamana's absolute consumption of energy increased generally in 2013. This resulted from the expansion of existing, and the commissioning of new, operations.

Some highlights of our environmental program this year included:

- We reduced the consumption of diesel by 32,752.85 GJ at Jacobina, by 46,510.66 GJ at El Peñon, and by 23,534.84 GJ at Florida, all by implementing new fuel management systems and optimizing ore and tailings transportation
- We increased the efficiency of moving material in Florida by processing tailings in a new plant
- At Pilar, we installed 195 voltaic solar panels to generate solar energy and reduce our consumption of electricity by 129.34 GJ
- We grew more than 153,500 seedlings, planting approximately 67,000, and donating over 35,000 to our employees and members of the communities that surround our operations
- Our Energy Efficiency Committee created an energy management best practices manual, which should be implemented in 2014.

Overall, our environmental investments in 2013 totaled US\$23,244,940, with the largest amounts spent on environmental monitoring, closure activities and waste management.

ENVIRONMENTAL INVESTMENTS	TOTAL (US\$)
Environmental studies and monitoring	3,950,870.60
Waste management	3,606,269.84
Recovery of areas	335,264.80
Wastewater treatment	760,074.84
Environmental education	67,217.19
Management of green areas	795,254.50
Certifications	128,452.48
Closure	12,648,949.19
Environmental licensing / Environmental fees	699,996.83
Others	252,589.50
TOTAL	23,244,939.76

Conserving our Biodiversity

Yamana currently has 17,377.00 hectares under conservation, including areas protected by law, and areas that are of relevant interest to biodiversity. This includes 14,000 hectares at the Florida mine, located within a preservation area in Chile that is managed in partnership with the public-private Committee Altos de Cantillana. In Brazil, Yamana also helps to protect 2,700 hectares that are adjacent to the Jacobina mine and belong to the Sete Passagens State Park. With so many hectares under our care, in 2013 we continued to work on a proposed biodiversity policy. Still in the development stage, this policy will establish guidelines for implementing future conservation projects in partnership with public and non-governmental organizations.

Such a policy builds on the standards we already use to manage biodiversity at our operations, where preservation of the environment is given due consideration in all our decisions. We monitor and assess all potential impacts through a management matrix based on environmental impact assessments established during a mine's feasibility and development stages, and then use that matrix as an environmental management tool during a mine's operational life.

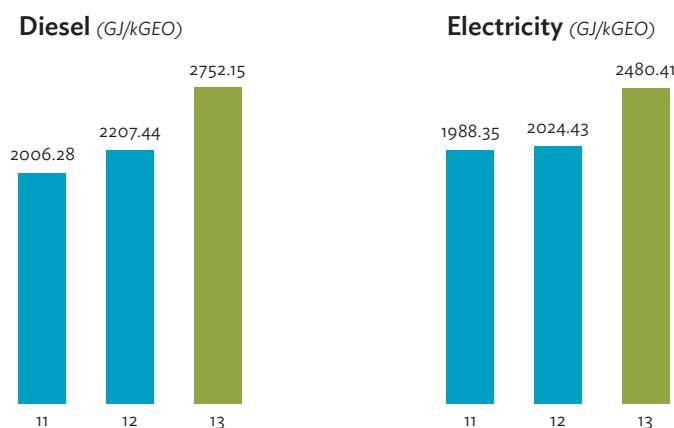
In compliance with our YMS standards, we have plans to manage flora, wildlife and green areas, as well as guidelines for recovering disturbed areas. We map and quantify the habits and habitats of existing species, maintain nurseries with native plants, and run reforestation projects. These activities, including reclamation, occur throughout the entire lifecycle of a mine, but can intensify during a mine's construction and decommissioning phases. Once a mine is closed, our focus turns to rehabilitating the area, so that local wildlife and flora may flourish there once again.

Modeling Sustainability

Our Environmental Education Centre at Chapada has hosted approximately 700 people since it first opened in June 2012. A model of sustainability, the centre is built from wood logs cleared from the mine site and cellulose-based tiles, and has large windows and doors to facilitate natural light. It also collects rainwater for use in its vivarium, which grows 40,000 seedlings of species native to a savanna in central Brazil. The experts who work at the lab educate local students in conjunction with World Environmental Day, Tree Day and Brazilian Savanna Day, while the centre also provides a space for hosting employee workshops on healthcare and distributing 7,000 seedlings for planting in the local community.

Monitoring our Energy Consumption

In general, we noticed an increase in Yamana's overall consumption of energy in 2013, mainly as a result of the expansion of existing operations and the construction of new operations. Relocating overburden, and moving ore between mines added to the increase of electric and fuel consumption. Our electricity consumption increased by 23% from 562.34 MWh/kGEO in 2012 to 689.00 MWh/kGEO in 2013, while our diesel consumption went up by 25% from 60.55 m³/kGEO to 75.49 m³/kGEO.



We consumed 31% of renewable energy in 2013, which was unchanged from 2012.

	RENEWABLE	NON-RENEWABLE
Diesel (GJ)	137,922.42	3,050,174.59
Electricity (GJ)	1,769,501.60	1,103,813.78
Total (GJ)	1,907,424.02	4,153,988.37

Becoming more Energy Efficient

Although we saw an increase in overall energy consumption in 2013, we are continually working to increase our energy efficiency, led by our Energy Efficiency Committee. In 2013, the committee created a manual detailing guidelines for energy management that should be implemented in 2014. It is also overseeing other initiatives aimed at decreasing our levels of energy consumption and increasing our energy performance overall. At Jacobina and Chapada, we are mapping our energy flow by summarizing each type of energy consumption by activity and area. This tool, which we hope to expand to other mine sites, will help us develop better measures for controlling our consumption.

RENEWABLE ENERGY at Pilar

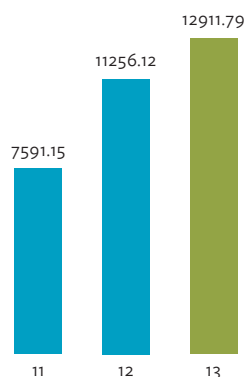
Our Pilar mine in Brazil demonstrates how we've been able to put such tools into practice. We have been implementing the recommendations of a 2009 study, which identified three ways to make Pilar more sustainable: using solar energy to produce electricity, harvesting rainwater for non-potable use, and producing organic fertilizers from food and vegetable waste. The new solar energy panels have produced more than 3,400 kWh/month of electricity since February 2013, while the rainwater catchment has collected 1,953 m³ since August. We expect the organic waste grinder to be turning in the first quarter of 2014, and anticipate reducing up to 90% of the mine's organic waste, which will be turned into fertilizer.

Monitoring our Water Consumption

Our operations continually work to minimize their fresh water consumption, and use as much recycled water as possible. We successfully reduced our water usage at our pre-existing operations in 2013, where we reduced the loss of water through evaporation in the reservoirs by adjusting our production process. We increased our level of recycled water usage by 8% at Jacobina and by 6% at El Peñon, both of which helped us to maintain the 80% level of water recycling that we had in 2012.

Although we reduced our water usage at our pre-existing operations, our total water consumption increased by 11% from 2012, due to the commissioning of new mines. We used approximately 14.9 million m³ of fresh water, of which 2,026,021.81 m³, or 14%, was used by the new operations. Our water is collected from the following sources: rivers (8,756,845.10 m³); wells (3,147,473.08 m³), mine water (3,038,356.69 m³); and aqueducts (14,365.00 m³).

Fresh Water (m³/kGEO)



Monitoring Water Quality

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

Monitoring and Managing our Cyanide Use

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

compliance certification, except Mercedes, which we expect to be recommended for certification in 2014. Our new operations are still being commissioned, and will begin the ICMC certification process once they achieve commercial production, per ICMC requirements.

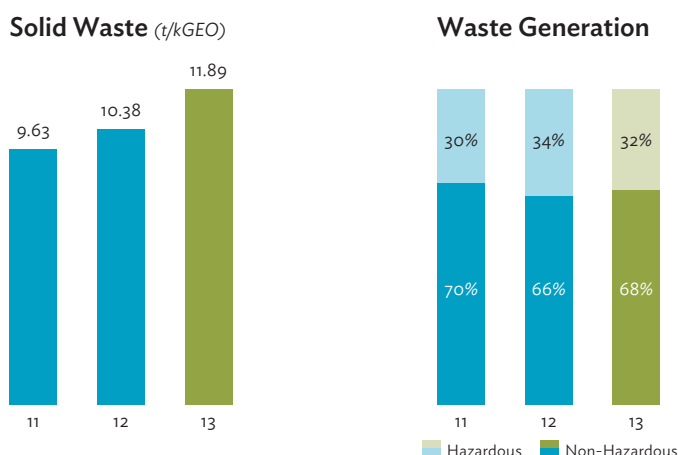
Yamana not only follows the code's standards, but also establishes operating procedures in its management system (YMS) to prevent cyanide-related accidents. Our facilities for the discharge and storage of cyanide follow pre-established engineering standards that focus on the prevention and containment of spills. We conduct regular inspections, preventive maintenance, and emergency simulations to prevent or contain possible accidents.

In addition, we operate a mine visitation program at certified mines to educate internal and external stakeholders about the impact of cyanide and how we manage its use to minimize risks. Visitors take part in lectures and receive educational material regarding the features and necessary precautions to avoid contamination during the transportation, unloading, storing and handling of cyanide. We also explain our practices for avoiding cyanide accidents and, in the event of an accident, how we would handle the occurrence in order to avoid any environmental impact.

Managing Solid Waste

All of Yamana's operations have a Solid Waste Management Plan that outlines how waste is separated and properly disposed of, based on defined categories. We increased our generation of solid non-mineral waste per kGEO by 14.5% in 2013, largely due to the expansion of our existing operations and the development of new sites. Our non-mineral solid waste totaled approximately 13,866.20 tonnes, 32% of which was classified as hazardous.

Disposal of hazardous waste was carried out through incineration (18.92%), industrial landfill (5.76%), co-processing (4.00%), and re-refining (3.57%), while non-hazardous waste disposal was carried out through sending to sanitary landfills (29.79%), recycling (18.92%), and waste rock dumps (14.83%).



Managing Greenhouse Gas Emissions

Yamana's goal is to continually improve the energy efficiency of all our operations. We regularly work to refine our processes in an effort to reduce our greenhouse gas emissions, which we have monitored since 2007.

In 2013, our total emissions were 692,426.64 tons of CO₂ equivalent, which increased by 56% from 443,571.13 in 2012. This was attributable to four factors: the commissioning of our new mines, changes in land use, a change in the Brazilian energy matrix, and the improvement of our calculation of indirect emissions from third party suppliers.

Direct emissions increased by 75.47% compared to 2012, mostly due to the increased diesel consumption associated with the expansion of our mining activities, and changes in land use. Indirect emissions related to electricity usage increased by 19.82% in 2013, which is in part due to the increased use of thermoelectric power in the Brazilian energy matrix.

Indirect emissions from third party suppliers totaled 84,488.52 tons of CO₂ equivalent. This includes emissions relating to air travel, the treatment of solid waste and wastewater, and the transportation of the ball mill, employees and copper concentrate at Chapada. Transporting the copper concentrate accounts for 70% of the emissions, as the concentrate is shipped to our global customers by road, rail and sea. Overall, our supplier's emissions increased considerably over 2012, which was expected as we addressed the challenges we had in gathering this data last year.

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

ABSOLUTE EMISSIONS (tCO ₂ equivalent)	2013	2012	2011
Direct GHG emissions	383,168.63	218,362.20	263,362.20
Electricity indirect GHG emissions	224,769.49	187,587.62	131,011.81
Indirect emissions from third party suppliers	84,488.52	37,621.31	68,119.28
Total	692,426.64	443,571.13	462,321.92

In 2013, we developed an automated GHG tool that strengthened our ability to calculate our monthly greenhouse gas emissions, and started disseminating and managing our data in a more transparent matter. This enhanced our contributions to the Carbon Disclosure Project, which we have participated in since 2007.

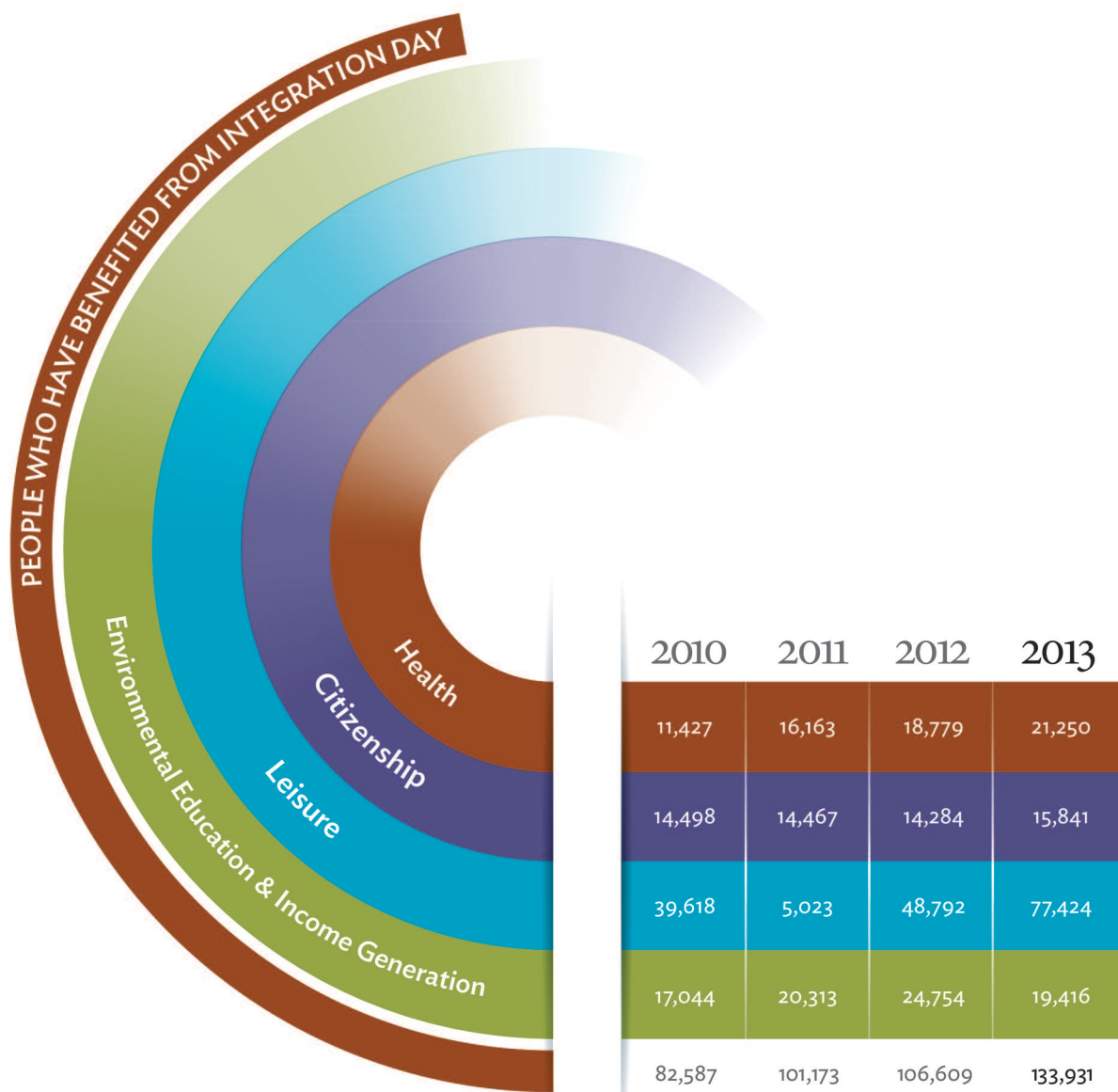
Mine Decommissioning

All of Yamana's operations have a mine decommissioning plan that aims to minimize our impact and rehabilitate the location. The process considers the unique characteristics of each operation and includes cost estimates for closure, which range from \$15 million to \$50 million, depending on factors such as: the mining process, the type of mine, the area occupied, and the rehabilitation techniques used.

The decommissioning process lasts about five years and is normally initiated prior to mine closure, sometimes long before closure is even contemplated. During 2013 at the Chapada and Fazenda Brasileiro mines, for example, we installed technology that will help us determine the most effective coverage for tailing dams for reducing post-closure environmental risk. Our decommissioning plans are reviewed and updated every five years, while estimated costs are updated once every year.

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 other indicators, in accordance with international mining regulation standards.



OUR COMMUNITY
RELATIONS efforts are guided
by four pillars: local development, quality
of life, education, and culture.

Participating in our Communities

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

Our social investments had many success stories in 2013, including these highlights:

- **LOCAL DEVELOPMENT:** Young people learned a trade at a Barrocas furniture factory, which builds furniture out of recycled wood and plastic bottles. Part of the Partnership Seminar Program at the Fazenda Brasileiro mine, the training program was developed by Paulino Oliveira Freitas, president of the Lagoa da Cruz Sports Association in Brazil. A portion of the income generated at the factory is sent to Bola na Rede, a project that engages boys in education through sport.
- **QUALITY OF LIFE:** At the Guacamayo mine in Argentina, we partnered with local authorities to bring health services to 1,357 people in 10 remote regions
- **EDUCATION:** At El Peñón in Chile, we provide skills training to inmates in the Taltal prison, aimed at easing their re-integration into society by offering courses on food handling and furniture production
- **CULTURE:** We sponsored the creation of a Mariachi featuring 11 musicians aged 7 to 14 from Magdalena Kino, a town that is close to our Mercedes mine in Mexico. We also delivered six new guitars to Magdalena Kino's Arts and Culture Board

Local Development

Partnership Seminar Program

We conduct partnership seminars in the communities surrounding all our mines, and accept proposals that contribute to the sustainable development of local communities. Under the program, Yamana approves proposals that support local education, and environmental, cultural, economic and health initiatives. We aim to invest 85% of our funding in programs that are self-sustaining. Yamana contributed \$612,000 to 117 projects under the Partnership Seminar Program in 2013.

Communicating with Communities

Our community outreach efforts are governed by the Yamana Management System.

Every two years, each of our operating units conducts a social diagnosis, which is a thorough review of the communities in which they operate; the impact the operations have on those communities; stakeholder identification and mapping; and a perception study that identifies how our stakeholders perceive our

operations, as well as the social investments they'd like us to make. Our operating units then use the results of this exercise to develop a management plan for the ensuing two years that engages our key stakeholders and meets the needs of the communities.

Community members also have the opportunity to communicate with the company through quarterly meetings, open houses, and a grievance mechanism.

Yamana Citizen Meetings, for example, were developed to further our two-way communications with our communities. Each operating unit hosts a quarterly meeting with key stakeholders to provide updates on the operation and its results. These meetings not only promote a dialogue on community needs and concerns, they also help us understand the community's perception of our activities and position ourselves as another social entity within the community. Stakeholders have the opportunity to suggest additions to the meeting agenda, suggestions that do not need to relate directly to our operations. In 2013, 61 meetings with more than 2,100 community representatives were held at all our operations and development projects in Argentina, Brazil, and Chile.

Our Open Doors program also facilitates a dialogue between Yamana 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. Community members also have the opportunity to suggest improvements to local outreach. Yamana hosted 109 visits attended by 2,222 visitors in 2013. Hosted at all of our operations, our visitors included employees, families, students, community members and other stakeholders.

Finally every operating unit has an employee dedicated to interacting with the local community, and overseeing Yamana's local outreach. Should a grievance arise, this employee will investigate and document the claim, identify potential remedies as appropriate, and respond within five working days. The Company also has a hotline that stakeholders can call to submit questions, compliments, and complaints.

Supporting Local Suppliers

Yamana puts a priority on sourcing goods and services through local suppliers, which as a global company, we define as those companies with operations within a 100-kilometre radius of our mine sites. We purchase as much as we can locally, because doing so contributes to the sustainable economic development of local communities.

In 2013, purchases through local suppliers increased slightly by 1.6% over 2012.. However, the number of Yamana's significant suppliers (those with contracts over US\$1.0 million) reduced from 286 to 109, resulting from the completion of construction projects.

	2013	2012	2011
Share of purchases made in the countries where Yamana operates	86.5%	88.0%	93.7%
Share of purchases made in the provinces where Yamana operates	37.1%	30.2%	36.7%
Share of purchases made in the communities where Yamana operates	17.4%	15.8%	17.5%

	BRAZIL	ARGENTINA	CHILE	MEXICO	TOTAL
Total purchases (US\$ million)	901.7	75.1	116.8	88.8	1,182.3

Our Supplier's Code of Conduct, which was completed in 2013, will be implemented in 2014. All suppliers that join Yamana's supply chain receive a copy of our Code of Conduct to ensure they understand and accept our guidelines for conduct, ethics and transparency. Further, all of our contracts have human rights clauses that prohibit discrimination, the use of child or bonded labour, and ensure their employees' right to free of association. Additionally, for any contract greater than US\$1.0 million, periodic reviews take place through the Yamana Management System. In the event that a supplier does not comply with a certain mandate, the contract is suspended, and the supplier is granted an agreed-upon period to correct the issue before the Company decides to cancel the contract.

In Brazil, the Supplier Development Program has been another important tool in helping to increase the volume of business Yamana conducts locally. The primary goal of the program is to help local business communities understand our needs and increase the capacity of those businesses interested in doing business with us. The program includes training on management development, worker training, and certification.

Quality of Life

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

Integration Day, held by all our operations, is a major component of this program. Each operation's Integration Team, comprised of Yamana's volunteers, conducts surveys to establish the needs of local communities and to develop a targeted program for each operation. Volunteers then partner with public authorities and

DEVELOPING SUCCESS

In 2013, Argeu Tavares, who lives near our Jacobina mine, participated in our Suppliers Development Program, which helps local business owners expand their businesses. After completing the program, Tavares, who owns Tavares Montagem, increased his revenue by 15% over the previous year, and added to the diversity of his client portfolio.

members of the private sector to 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.

Targeting activities specifically to each community has substantially contributed to the increasing popularity of the Integration Day programs: 133,931 people benefitted from Integration Day in 2013, 25% more than in 2012.

PEOPLE WHO HAVE BENEFITED FROM INTEGRATION DAY

	2013	2012	2011	2010
Health	21,250	18,779	16,163	11,427
Citizenship	15,841	14,284	14,467	14,498
Environmental education and income generation	19,416	24,754	20,313	17,044
Leisure	77,424	48,792	5,023	39,618
Total	133,931	106,609	101,173	82,587

Education

Education is the foundation for building prosperous and sustainable communities and we have begun to focus more of our efforts on contributing to the education 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 education needs in order to maximize the effectiveness of our contribution.

Supporting basic and post-secondary education

In Brazil, we focus our efforts on basic education. After successfully implementing an education management program at the Chapada and Fazenda Brasileiro mines in 2011, Yamana expanded the program to its Jacobina mine in 2013. Forty professionals, including teachers, education secretaries, principals, and counselors from 18 schools participated in the program, which aims to improve the quality of education by standardizing the technical qualification of staff in Jacobina's public schools. Each participant received a certificate upon his or her completion of the course.

In Argentina, Chile and Mexico, most of our initiatives concentrate on college preparation. At Taltal, located just outside of El Peñon in Chile, we provided free preparatory courses for the college admission test to 40 community members.

Culture

Promoting local culture is another means of contributing to the communities in which operate. We support Ecoteca, a library built from recycled material, and Cineco, a theatre, to encourage reading and film appreciation in Brazil's remote areas. We also supported Reading on the Park, a library that hosted over 1,000 people between April and October near our C1-Santa Luz mine in Brazil.

Preserving Cultural Memory

The environmental licensing of the Chapada and Suruca mines mobilized the community in Alto Horizonte, Brazil, to produce a study to promote its cultural heritage. Approximately 450 people from 15 groups participated in the study that included six steps: survey of secondary data; diagnosis developed from storytelling; devising of the program; action feedback; multiplication; and, finally, assessment and follow up.

2013 GRI INDEX

GRI Index

GRI INDICATOR		RESPONSES	STATUS
1. Strategy and Analysis			
1.1.	Statement about the relevance of sustainability	Message from the CEO – Page 6	Fully answered
1.2.	Key impacts, risks and opportunities	Message from the CEO – Page 6 Environment – Page 41 Additional information on all key impacts, risks and opportunities can be found in our 2013 Annual Information Form at www.yamana.com	Fully answered
2. Organizational Profile			
2.1.	Name of Organization	A Responsible Gold Producer – Page 14	Fully answered
2.2.	Primary brands, products, and/or services	A Responsible Gold Producer – Page 14	Fully answered
2.3.	Operational structure	A Responsible Gold Producer – Page 14	Fully answered
2.4.	Location of the organization's headquarters	Contact Information – IBC (inside back cover)	Fully answered
2.5.	Geographic breakdown	A Responsible Gold Producer – Page 14	Fully answered
2.6.	Legal nature and ownership form	A Responsible Gold Producer – Page 14	Fully answered
2.7.	Markets served	A Responsible Gold Producer – Page 14	Fully answered
2.8.	Scale of the organization	A Responsible Gold Producer – Page 14 Meet Our Team – Page 30 Financial Highlights – Page 16	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	Highlights of Yamana's 2013 corporate social responsibility program. – Page 13	Fully answered
3. Report Parameters			
Report Profile			
3.1.	Reporting period	About this Report – Page 4	Fully answered
3.2.	Date of most recent previous report	About this Report – Page 4	Fully answered

GRI INDICATOR	RESPONSES	STATUS
3.3. Periodicity	About this Report – Page 4	Fully answered
3.4. Information for contact	Contact Information – IBC (inside back cover)	Fully answered
Report Scope and Boundaries		
3.5. Process for defining report content	About this Report – Page 4 Our Stakeholders Determine Materiality – Page 5	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	About this Report – Page 4	Fully answered
3.8. Basis for reporting	About this Report – Page 4	Fully answered
3.9. Data measurement techniques and bases of calculations	About this Report – Page 4	Fully answered
3.10. Effects of re-statements of information	There have been no re-statements of information.	Fully answered
3.11. Significant changes from previous reporting periods	About this Report – Page 4	Fully answered
GRI Content Summary		
3.12. Location of the Information	GRI Content Index – Page 58	Fully answered
Assurance		
3.13. External Assurance	About this Report – Page 4	Fully answered
4. Governance, Commitments and Engagement		
4.1. Governance structure	About the Yamana Board – Page 23 Board Committees – Page 27	Fully answered
4.2. Identification of the main executive officers	About the Yamana Board – Page 23	Fully answered
4.3. Statement of the number of members from the highest governance body that are independent and/or non-executive	Independence and Lead Director – Page 23	Fully answered

GRI INDICATOR	RESPONSES	STATUS
4.4. Communication channels with the Board	Yamana has mechanism to ensure recommendations are received by the highest governance body from any stakeholder group (employees, trade unions, shareholders, government, communities, among others). We also have programs to identify recommendations from communities (Communicating with Communities – Page 52).	Fully answered
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)	Compensation details can be found in our 2013 Management Information Circular at www.yamana.com .	Fully answered
4.6. Processes in place for the highest governance body to ensure conflicts of interest are avoided	Governance: Responsible and Effective – Page 22	Fully answered
4.7. Process for determining the qualifications and expertise of the members of the highest governance body for guidance the organization's strategy on economic, environmental, and social topics	Board Development and Education – Page 24	Fully answered
4.8. Statements of mission, values, codes of conduct, and internal principals	Sustainability Principles – Page 13 Our Business Values and Conduct – Page 22 Yamana's Nine Golden Rules – Page 34	Fully answered
4.9. The Board's initiatives of the evaluation of sustainability performance	Risk Oversight – Page 26	Fully answered
4.10. Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental and social performance	Risk Oversight – Page 26 Compensation details can be found in our 2013 Management Information Circular at www.yamana.com .	Fully answered
Commitments to External Initiatives		
4.11. Precautionary Approach	Sustainability Principles – Page 13	Fully answered
4.12. Charters, principles and initiatives	Commitments and Memberships – Page 18	Fully answered
4.13. Memberships in Associations	Commitments and Memberships – Page 18	Fully answered

GRI INDICATOR	RESPONSES	STATUS
Stakeholder Engagement		
4.14. List of stakeholders	Our Stakeholders determine Materiality – Page 5	Fully answered
4.15. Identification and selection of stakeholders	Our Stakeholders Determine Materiality – Page 5 Communicating with Communities – Page 52	Fully answered
4.16. Stakeholder engagement	Our Stakeholders Determine Materiality – Page 5 Our Shareholders have a “Say on Pay” – Page 25 Communicating with Communities – Page 52	Fully answered
4.17. Key topics and concerns that have been raised through stakeholder engagement, and the organization’s adopted measures	Our Stakeholders Determine Materiality – Page 5 Our Shareholders have a “Say on Pay” – Page 25 Communicating with Communities – Page 52	Fully answered
Economic Performance		
EC1. Direct economic value generated and distributed	Our Approach: Committed to CSR – Page 12 Financial Highlights – Page 16 An Attractive Environment – Page 31 Partnership Seminar Program – Page 52	Partially answered
EC2. Financial implications and other risks and opportunities for the organization’s activities due to climate change	Since 2008, the topic of climate change has been incorporated into Yamana’s strategic planning. There are risks inherent in our process, such as the occurrence of torrential rains that can lead to flooding and damage to equipment and mine infrastructure; this can expose workers, neighbouring 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. To manage these risks, the company has in place a set of corporate norms that are based on best international practices and technical norms like the Risk Management Guidelines AS/NZS 4360:2004.	Partially answered
EC3. Coverage of the organization’s defined benefit plan obligations	An Attractive Environment – Page 31	Partially answered

GRI INDICATOR	RESPONSES	STATUS
EC6. Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation	Supporting Local Suppliers – Page 53	Fully answered
EC7. Procedures for local hiring the proportion of senior management hired from the local community	Meet Our Team – Page 30	Partially answered
EC8. Development and impact of infrastructure investments; services provided primarily for public benefit by commercial, in-kind, or pro-bono engagement	The invested amount in infrastructure in the cities where Yamana operates was US\$687,000 in 2013.	Partially answered

Environmental Performance

EN1. Materials used	In 2013, we used the following materials in our operations: Fuel (87,451,159.34 L); Explosives (26,649,470.0 kg); Tires (3,282.00 units); Cyanide (8,869,231.00 kg); Steel balls (20,723,568.00 kg); Lime (18,973,129.00); Electricity (798,143.16 MWh); and, Xanthates (460,274.00 kg).	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	Monitoring our Energy Consumption – Page 44	Fully answered
EN4. Indirect energy consumption	Monitoring our Energy Consumption – Page 44	Fully answered
EN5. Energy saved due to conservation and efficiency	Monitoring our Energy Consumption – Page 44	Fully answered
EN8. Total water withdrawal by source	Monitoring our Water Consumption – Page 46	Fully answered
EN9. Water sources significantly affected by withdrawal of water	At Chapada, we used 8,013,323.91 m ³ from Rio dos Bois, which accounts for approximately 5% of its flow rate. We are authorized to use up to 10,300,000 m ³ per year from this body of water, which although used by a few farms in the region, does not supply any municipalities.	Fully answered
EN10. Percentage and total volume of water recycled and reused	Monitoring our Water Consumption – Page 46	Fully answered

GRI INDICATOR	RESPONSES	STATUS
EN11. Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Conserving our Biodiversity – Page 43	Fully answered
EN12. Description of significant impacts on biodiversity	Conserving our Biodiversity – Page 43	Partially answered
EN13. Habitats protected or restored	Conserving our Biodiversity – Page 43	Fully answered
EN14. Strategies, current actions and future plans for managing impacts on biodiversity	Conserving our Biodiversity – Page 43	Partially answered
EN16. Total direct and indirect greenhouse gas emissions by weight	Managing Greenhouse Gas Emissions – Page 48	Fully answered
EN17. Other indirect greenhouse gas emissions	Managing Greenhouse Gas Emissions – Page 48	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. NO _x , SO _x , and other significant emissions by type and weight	In 2013, for our second year, we quantified our NO _x and SO _x emissions resulting from the combustion of diesel fuel, LPG, and explosives, all of which are common in mining activities. Considering all the operating units, we recorded emissions of 726.38 metric tons of NO _x and 54.16 metric tons of Sox.	Fully answered
EN21. Total water discharge by quality and destination	There was no wastewater discharge in 2013.	Fully answered
EN22. Total weight of waste by type and disposal method	Managing Solid Waste – Page 47	Fully answered
EN26. Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation	Environmental Indicators – Page 42	Fully answered

GRI INDICATOR	RESPONSES	STATUS
EN28. Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations	<p>A complaint was made alleging that contaminated runoff drained into a pond used by a family close to Fazenda Brasileiro. This is alleged to have occurred when the mine was run by a previous operator.</p> <p>Two other fines were as a result of the unauthorized cutting of timber at Chapada and Minera Florida.</p> <p>These three cases resulted in fines totaling US\$393,245.52. This amount has increased from the previous year largely in relation to the amount related to the first complaint. The fines at Chapada and Fazenda Brasileiro are being appealed.</p>	Fully answered
EN30. Total environment protection expenditures and investments by type	Environmental Investments – Page 43	Fully answered

Social Performance – Labour Practices and Decent Work

LA1. Total workforce by employment type, employment contract and region, by gender	Meet Our Team – Page 30	Partially answered
LA2. Total number and rate of employee turnover by age group, gender and region	Meet Our Team – Page 30	Partially answered
LA3. Benefits provided to full-time employees that are not provided to temporary or part-time employees, by major operations	An Attractive Environment – Page 31	Fully answered
LA4. Percentage of employees covered by collective bargaining agreements	All employees in Argentina, Brazil, Chile, and Mexico are covered by collective bargaining agreements. In Toronto (Canada) and Reno (USA) contracts are individual and comply 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 committee that help monitor and advise on occupational health and safety programs	Accident Prevention – Page 37 2013 Safety Performance Indicators – Page 38	Fully answered
LA7. Rates of injury, occupational diseases, lost days and absenteeism, and total number of work-related fatalities by region and gender	2013 Safety Performance Indicators – Page 38	Partially answered

GRI INDICATOR	RESPONSES	STATUS
LA8. Education, training, counselling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases	Integration Program – Page 54	Fully answered
LA9. Health and safety topics covered in formal agreements with trade unions	We have a transparent partnership relationship with trade unions, and our formal agreements with them emphasize occupational health and safety, proper environmental monitoring, providing personal protection equipment, and an employee's right to refuse work that they deem unsafe.	Fully answered
LA10. Average hours of training per year, per employee, by gender and employee category	Employee Development – Page 32	Partially answered
LA12. Percentage of employees receiving regular performance and career development reviews, by gender	Employee Development – Page 32	Partially answered
LA14. Ratio of basic salary of men to women by employee category, by major operations	Employee Development – Page 32	Partially answered
LA15. Return to work and retention rates after parental leave, by gender	100% of men and 81% of women returned after parental leave, 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 home rights screening	Supporting Local Suppliers – Page 53	Partially answered
HR4. Total number of incidents of discrimination and corrective actions taken	In 2013, 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' rights to exercise freedom of association or collective bargaining. In 2013, there was no record of disrespect of these rights.	Fully answered
HR6. Operations and significant suppliers identified having significant risk for child labour, and measures taken to contribute to the effective abolition of child labour	In 2013, there were no recorded incidents regarding child labour. Supporting Local Suppliers – Page 53	Fully answered

GRI INDICATOR	RESPONSES	STATUS
HR7. Operations identified as having significant risk of forced or compulsory labour, and measures taken to contribute to the elimination of all forms of forced or compulsory labour	In 2013, there were no recorded incidents regarding forced or compulsory labour. Supporting Local Suppliers – Page 53	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, 100% of our security staff received training concerning Our Code of Conduct.	Fully answered

Social Performance – Society

SO1. Percentage of operations with implemented local community engagement, impact assessments, and development programs	Participating in Our Communities – Page 52 Communicating with Communities – Page 52	Fully answered
SO3. Percentage of employees trained in the organization's anti-corruption policies and procedures	100% of our employees receive and are trained Our Code of Conduct. Employees also sign a term of commitment.	Fully answered
SO4. Actions taken in response to incidents of corruption	There were no incidents of corruption in 2013.	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 with the main stakeholders 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	Communicating with Communities – Page 52	Fully answered

Social Performance – Product Responsibility

Product and Service Labeling		
PR1. Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and categories subject to such procedures	Our product (gold) is sold rough to refineries, where it is processed in order to be sold as 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

GRI INDICATOR	RESPONSES	STATUS
Indicators – Mining and Metals Supplement		
MM1. Amount of land (owned or leased, and managed for production activities or extractive use) disturbed or rehabilitated	Current non-recovered areas total 5,249.99 ha, representing 18% of the total amount of land used in the company's activities. In 2013, deforested areas totaled 466.21 ha; reforested areas totaled 40.52 ha; preservation areas (including Altos da Cantilana Park/APPs and RLs) totaled 16,587.11 ha, or 57% of Yamana's land.	Fully answered
MM2. The number and percentage of total sites identified as requiring biodiversity management plans according to state criteria, and the percentage of those sites with plans in place	Conserving our Biodiversity – Page 43	Partially answered
MM3. Total amounts of overburden, rock, tailings, and sludges, and their associated risks	In 2013, Yamana generated 91,643.23 kton of overburden and 36,582.53 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, spillovers, 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	There were no strikes lasting more than one week in 2013.	Fully answered
MM5. Total number of operations taking place in or adjacent to Indigenous Peoples' territories, and number and % of operations or sites where there are 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 2013, there was no record of units operating in or adjacent to Indigenous Peoples' territories.	Fully answered

GRI INDICATOR	RESPONSES	STATUS
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
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 2013.	Fully answered
MM8. Number (and %) of operating sites where artisanal and small-scale mining takes place on, or adjacent to, the site; the associated risks and the actions taken to manage 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 the C1-Santa Luz mine, Yamana offers professional training to artisanal and small-scale miners. In 2013, there were no conflicts with artisanal miners.	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 2013.	Fully answered
MM10. Number, %, of operations with closure plans	Mine Decommissioning – Page 49	Fully answered
MM11. Programs and progress relating to materials stewardship	As described in PR1, gold is sold to refineries, where it is for sale as a final product.	Fully answered

Contact Information

Yamana Gold Inc.

200 Bay Street
Royal Bank Plaza, North Tower
Suite 2200
Toronto, Ontario M5J 2J3
Phone: 416-815-0220

Rua Doutor Geraldo de Campos Moreira, 240
4º andar – Brooklin Novo
São Paulo/SP – Brazil
04571-020
Phone: +55 11 2163 8300
Fax: +55 11 2163 8324
www.yamana.com

Community Relations

Ana Lucia Marins
Vice President,
Safety, Health, Environment & Community
Phone: +55 11 2163 8300
e-mail: sustainability@yamana.com

Investor Relations

Lisa Doddridge
Vice President,
Corporate Communications & Investor Relations
Phone: 416-815-0220/888-809-0925
e-mail: investor@yamana.com

