



# 2015

**MATERIAL**  
ISSUES REPORT

YAMANAGOLD

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Each year, we consult our stakeholders to better understand their priorities when it comes to how we operate and perform as a business. As a result of these consultations, this report includes information on:

Health & Safety	
Water	
Waste   Tailings Management	
Community Relations   Social License	
Climate Change	
Governance	

## About Yamana Gold

**Yamana Gold Inc.** is a precious metals producer with a portfolio of producing mines, development projects and exploration properties focused in the Americas and in mining jurisdictions with an established mining pedigree. In addition, we look for jurisdictions that have clear and established mining and business processes, including permitting, and where the communities have an understanding of the potential benefits of responsible mining.



Our corporate headquarters is located in Toronto, Canada and our total workforce is approximately 12,372 across all our offices, mines and projects.

We operate our mines and projects in three distinct, semiautonomous divisions under common corporate oversight:

- Northern Operations, which includes, among other earlier stage projects, Canadian Malartic and Mercedes
- Southern Operations, which includes, among other earlier stage projects, Chapada, El Peñón, Gualcamayo, Minera Florida and Jacobina; and
- Brio Gold, which includes Pilar, Fazenda Brasileiro, C1 Santa Luz and Riacho dos Machados.<sup>(1)</sup>

Within this structure, we consider our three largest cash flow contributors as Cornerstone Mines.

1. The agreement to acquire Riacho dos Machados was entered into subsequent to year-end.

## About this Report

**Focus on Material Issues:** Our 2015 report presents our annual performance in a new format compared to previous reports, which focuses on a more direct discussion of the key material sustainability issues at Yamana and the mining industry more broadly.



The issues covered in this report were determined by an internal materiality review process that was informed by dialogue with stakeholders. It is an attempt to address issues in direct, non-technical language that we hope presents the material in a more accessible and transparent manner. To achieve this, we have designed each section of the report to overview both the risks and impacts associated with the most material issues as well as Yamana's management approach and performance on the issue. We think this format results in more information for more meaningful discussions with our stakeholders. But we would like your feedback, if you have comments about the material in this report or our approach to disclosure, please contact us and let us know.

This report covers all of Yamana's operating mines and, where applicable, exploration properties. However, this report does not cover the 50% owned Canadian Malartic Mine, which publishes its own annual sustainability report, available at [www.canadianmalartic.com](http://www.canadianmalartic.com).

**GRI G4 Guidelines:** The 2015 report is our eighth sustainability report and the first to use the Global Reporting Initiative's (GRI) new G4 guidelines. Previously we reported our annual corporate social responsibility efforts using GRI's G3.1 guidelines. The GRI ([www.globalreporting.org](http://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.

The complete set of G4 indicators and our responses are available on our website, which you can access by visiting [www.yamana.com](http://www.yamana.com).

The information for this report was compiled using data collected through pre-established internal controls, in addition to interviews with Yamana's management. The labour and greenhouse gas indicators include our corporate headquarters.

Our 2013 and 2014 Scope 1 Emissions data have been restated as an analysis of our methodology revealed an overstatement of results from prior years.

For further information please contact us at: [sustainability@yamana.com](mailto:sustainability@yamana.com).

All amounts in this report are expressed in United States dollars unless otherwise specified

# CEO Message

We have focused over the last several years on opportunities that would lead to improved business fundamentals. We sought to develop a more efficient and sustainable company. In 2015, much of that focus was on streamlining our organizational structure, cost mitigation and efficiencies throughout our organization.

Improving our Health, Safety, Environment and Community (HSEC) management and performance was part of that process. We moved much of the governance aspects of HSEC to our corporate head office in Toronto, recognizing the importance of this area. We initiated efficiency and effectiveness reviews of our sustainability management systems and we set out to change the more procedural and audit focus of HSEC to creating a culture, mindset and philosophy of living every day with health, safety and environmental adherence in mind. We also hired a Senior Vice President of Health, Safety and Sustainable Development in 2015, who is responsible for the governance and development of all aspects of HSEC and creating that culture, mindset and philosophy, and who, given the importance of these areas in our company, reports directly to me.

## **Taking Stock**

In past years we focused on building strong management systems and delivering strong performance. Our results demonstrate stable and improving performance, but we know we can do better. Beginning in 2015, we initiated an extensive review of our management systems, policies, and procedures in an effort to thoroughly analyze effectiveness and focus on areas that will allow us to improve performance. Our ultimate goal is zero injuries, no significant environmental impacts, and maintaining our social license with our communities. This review period, which extends into 2016, is intended to drive a culture of continuous improvement in our HSEC performance. This is our commitment to our employees and to the communities within which we work.

## **Health & Safety – The Journey to Zero Injuries**

Nowhere is continuous improvement more critical than in health and safety. Year over year, our safety performance has been relatively consistent, and we are proud of the external recognition for performance, such as the award received by our El Peñón operation. However, a fatality at our Jacobina operation in May 2015 is a reminder that we must remain diligent and cannot lose focus on efforts to protect our employees and contractors from injuries.

Our ultimate goal is to achieve zero injuries. While this goal may seem difficult, we have seen it accomplished on a month to month basis at our operations. Senior management is committed to this goal which can only be achieved through the individual and collective dedication of our employees and contractors to safety. This



dedication to safety is reflected in our stable performance in times when we have had to reduce manpower, reduce costs and improve production. Through the challenging times, we have not, and never will, compromise safety.

### **Tackling Environmental Risks Head On**

Our responsibility for managing environment risks related to mining is something we have never taken lightly at Yamana. All of our operations maintain ISO 14001 certification and operate in conformance with International Cyanide Management Code.

Additionally, the management and safe storage of tailings, which is probably the single greatest environmental concern for communities, regulators, governments and shareholders alike, is governed by a specialized tailings management system, which is consistently recognized as world-class and is managed by a dedicated and experienced tailings professional.

In witnessing the serious tailings incidents of our peers, we commissioned an independent internationally recognized expert to review the design, construction and operation of our facilities to help us improve our management and storage of tailings. This review will be completed in 2016.

### **Building on our Social License**

Underpinning all of our health, safety and environmental risk management, is our relationships with host communities. Our approach is grounded in open and transparent dialogue, which allows communities to understand our operations and helps us to proactively identify issues and resolve concerns.

Our operations have developed a range of formal and informal engagement mechanisms to reach large and diverse stakeholder groups, while making our sites as accessible as possible to the public. Our Open Doors programs welcomed over 2,000 people in 2015, from community members, government officials, journalists and civil society groups.

In order to maintain a mutually beneficial relationship with communities, we also recognize the importance of maximizing benefits locally, through quality jobs, local procurement and general economic development. We are proud that roughly 75% of our workforce is local as is 17% of our procurement, with 56% purchased regionally. We also directly invested \$5.38 million in community development programs across our operations in 2015, impacting thousands of direct project beneficiaries.

Our mission at Yamana is to mine precious metals profitably and responsibly. Our approach to HSEC risk management and thoughtful approach to building community relationships have provided half of that equation. But I should take this moment to acknowledge that those successes were not achieved by systems, but rather by our employees, whose dedication and commitment has helped reposition our company for a sustainable and prosperous future.

“Peter Marrone”

**PETER MARRONE**  
CHAIRMAN & CEO



# Health & Safety

Health and Safety (“H&S”) is one of our ten Core Principles, and as such, we believe our first responsibility, as a company, is the identification and mitigation of H&S risks that face our employees, as well as the communities in which we operate.

We manage our H&S efforts using two overlapping systems – our own internal management system, which focuses extensively on major risk management and ensuring procedural strength, and the internationally recognized OSHAS 18001. Both systems are regularly audited and all operations maintained compliance in 2015.

Each of our operations also maintain extensive H&S teams, which report under the General Manager of that operation. This site level management is bolstered by a joint H&S Employee-Management Safety Committee at each operation. At the corporate level, Yamana has regional directors (Southern and Northern operations), as well as a corporate manager, director and a Senior Vice President responsible for Health and Safety. The Senior Vice President of Health, Safety and Sustainable Development reports directly to the Chief Executive Officer and the Health, Safety and Sustainability Committee of the Board of Directors. We believe this level of engagement and shared management across our organization is an efficient way of ensuring all employees recognize that H&S is all of our responsibility.

## **Safety**

In 2015, our Total Recordable Incident Rate and Lost Time Injury Frequency Rate (our preferred metrics for measuring safety performance) were comparable to 2014, our three year average and our peer group. Stability in our safety performance reflects our efforts toward our goal of zero serious injuries, but also highlights the need for further improvement to achieve year-over-year reductions. We have continuous learning and improvement initiatives in place across our organization that target ways to effect step changes in safety performance. The stability in our performance is a testament to the dedication and diligence of our entire workforce, especially the H&S leaders at our operations.

However, in 2015, we had one fatality at our Jacobina mine in Brazil, when a contractor received a fatal shock from a submerged, undetected electrical wire. Despite a relatively positive year statistically, we can never claim to have had a truly successful year when people are seriously injured on the job, regardless of improvements we have implemented.

As part of our established protocols, an investigation was conducted after the incident and the lessons learned from this investigation have subsequently yielded a number of engineering and trainings improvements.

Additionally, our effort to improve contractor safety performance yielded a substantial reduction in injuries.

### Health

In addition to managing safety risks, we support our employees and communities through extensive health campaigns, including covering areas such as HIV/AIDS, smoking, alcohol consumption, mental health, general health and nutrition, and flu prevention. In 2015, the Zika virus outbreak led to multi-faceted response at our operations. For example, our Chapada operation included training on Zika, Dengue and Chikungunya, incorporating federal government campaign directly into site activities and working with local public health officials to support development of a wider campaign for the local communities.

### 2015 Highlights

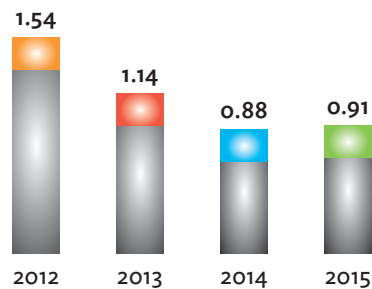
El Peñón and Cerro Moro reached three million and one million hours, respectively, without a Lost Time Injury (LTI).

All our operations maintained OHSAS 18000 certification.

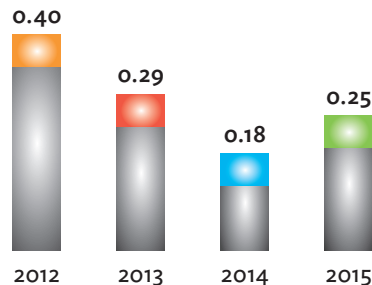
El Peñón was awarded the national Health and Safety prize for large-sized companies by the Chilean Safety Association.

Chapada implemented a Zika virus response.

### Total Recordable Incident Rate



### Lost Time Injury Frequency Rate



Based on 200,000 hours worked



## Water

Water is one of the world's most precious commodities. While an integral part of the mining process, it is first and foremost, essential to the countries and the communities where we operate. This means that sustainable management of water resources is critical for the long-term health of our operations and our communities.

Given the water intensive nature of processing ore and the importance of this issue among our various stakeholder groups, we continue to focus on ensuring we take a disciplined approach to mitigating the risks associated with water management and use. We are focused on managing our water use during all phases of resource extraction from exploration to production.

As a mining company, there is a significant leadership role for Yamana to play in responsibly managing both water quality and water quantity issues in areas where we operate. More specifically, we are committed to balancing how much water we use and the potential impact of our operations on the quality of water in the various areas. Although only two of our operations have process water discharges to the environment, and most operations draw the bulk of their water needs from within the mine and/or rainfall, we nevertheless understand the need to manage this issue closely and to look for ways to continuously improve.

### **Water Quantity**

As part of our commitment to continuously improving our water management, we aim to minimize our freshwater consumption and to maximize our use of recycled water. A critical component of delivering on this aim is to ensure accurate measurement of water use and where we have sourced that water.

In 2013, we improved our system of flow meters at sites across our portfolio to enhance our understanding of each site's water balance. This data allows each site to set targets related to freshwater consumption and recycling on an annual basis.

In 2015, the bulk of our water supply, over 50%, came from water collected from within our mines, which is a 7% increase from the previous year. Importantly, only 8% of the total water used across our portfolio was sourced from lakes or rivers in the areas around our mines.

We have been successful in increasing our water recycling, thereby reducing our reliance on extracting fresh water. In 2015, our total water consumption included approximately 68% recycled water. At an asset level, four of our operations recycled and reused more water than they took in over 2015. For instance, our Jacobina

operation reused 16 times more water than it withdrew over the year. Even at our operation with the lowest level of recycling, our Pilar mine, we still managed to use approximately 42% recycled water in 2015.

### Water Quality

The other side of the water equation is to monitor the quality of water in areas potentially affected by our operations and to ensure appropriate measures are in place to minimize the chance of any impact.

In 2015, our efforts resulted in no material spills at our operations that could potentially impact the environment and water quality. While we did not have any material spills we did have a small number of minor spills, which were contained and easily remediated. We aim for zero spills, but it is equally important that we have the procedures in place to respond appropriately to contain spills should they occur.

Cyanide management is an important topic that touches on a number of the material issues in this report and more explicitly is an important component of our environmental commitment. We are proud that as of 2015 all our mines that use cyanide in the processing of ore are now certified to be in full compliance with the International Cyanide Management Code (“ICMC”). The ICMC is a voluntary initiative for managing cyanide in gold production and was created to help minimize risk to health and the environment.

### 2015 Highlights

Mercedes achieved certification of full compliance with the International Cyanide Management Code.

Over 50% of water used at our operations was sourced from within our mines.

Jacobina, Chapada, Gualcamayo and Minera Florida recycled/reused more water than they withdrew.

We had no material spills at any of our operations.

### Total Fresh Water Consumption

**24,149,781.75 m<sup>3</sup>**

### Total Water Recycled & Reused

**52,309,653.91 m<sup>3</sup>**

### Total Withdrawal by Source – m<sup>3</sup>

	2015	2014	2013
Total Water from Public Supply	-	2,273	637,244
Total Water Withdrawal from Mine	12,690,804.80	7,022,386	3,128,976
Total Water Withdrawal from Rivers	2,034,298.55	8,427,335	8,776,164
Total Water Withdrawal from Underground Wells	8,635,603.37	2,738,079	3,084,459
<b>Total Water</b>	<b>24,149,781.75</b>	<b>18,190,072</b>	<b>15,626,843</b>



## Waste | Tailings Management

Mine waste, specifically tailings, are both an environmental and human health concern in mining jurisdictions throughout the world. Waste management has consistently been identified as a material issue by our host communities and host countries, as well as many of our other stakeholders from local to international levels.

Over the past few years, incidents at tailings facilities in a number of established mining jurisdictions, have heightened both the general public and mining specific stakeholder's interest in this matter. Although statistically speaking, the likelihood of tailings incident is very low, the consequences can be significant for both the environment and communities near mining operations. Yamana has always prioritized the management of tailings and felt confident with our management, however, we embarked on an independent 3rd party review of our tailings facilities as well as our company-wide policies, procedures and management systems.

The review yielded no significant weaknesses or discrepancies from international best practices, and we will continue to monitor the integrity of our facilities and processes.

The key pillar to the ongoing tailings management effort at Yamana revolves around a rigorous system of risk management, internally referred to as SYGBAR, that is built on a 6-point management system as follows:

- Standards for design and construction, and use of design review;
- Constant tailings storage facility (TSF) monitoring and site-specific KPI development and performance management;
- Periodic safety inspections;
- Documentation and periodic reports;
- Training and continuous improvement; and
- Emergency response plans with dam failure analysis

In addition to our tailings management system, Yamana has a senior level, dedicated corporate manager whose sole responsibility is the governance of SYGBAR and support for the operations in ensuring compliance. This key position works with management and executives across the company to ensure we are actively reviewing our tailings management programs to ensure safety and the integrity of our facilities. This process includes monthly reporting to senior management with progress reports on key issues and a zero tolerance level for medium and high-level risks.

While we do our best to manage and mitigate risk, we are also committed to being prepared in the event that an incident does occur at one of our operations. To help us prepare, we have developed Emergency Response Plans (“ERP”) for all Yamana TSFs. ERPs are built around worst case scenarios (including dam failures) and include procedures for the following activities:

- Protection of personnel;
- Notification of emergency services, neighboring communities and resource management agencies; and
- Longer term remediation actions

The General Manager for each operation is responsible for the ERP, which is tested through both desktop and live scenario training on a regular basis. In 2016, Yamana will review and test all the operational ERPs, including reviews with external stakeholders.

## 2015 Highlights

Our Mercedes mine was awarded the Certificate of Clean Industry issued by the Federal Authority for Protection of the Environment (PROFEPA) of the Mexican Government.

Extensive 3rd party reviews of our tailings storage facilities were conducted by an international tailings management expert.

## Mineral Solid Waste

	2015	2014	2013
Total Generated Tailings (t)	25,973,389.07	36,165,000	36,582,530
Total Generated Waste Rocks (t)	72,685,216.30	68,651,000	91,643,230

## Non Mineral Solid Waste (Hazardous and Non-Hazardous)

	2015	2014	2013
	<b>Total</b>		
Hazardous Waste (t)	<b>21,887.62</b>	5,225.76	4,437.18
Non-Hazardous Waste (t)	<b>12,549.68</b>	8,526.24	9,429.02
Total Solid Waste (t)	<b>34,437.30</b>	13,752.00	13,866.20



## Community Relations|Social License

Establishing and maintaining a social license to operate has been one of the most important, yet difficult to define priorities for the mining industry over the past decade.

As technology and society have changed, so too has our understanding of how, when and where our host communities want to be engaged. We try to be responsive and adaptive, but most of all proactive in understanding both their concerns and their expectations. The increased level of engagement at the local level has seen a shift in the balance of dialogue from the boardrooms of national and regional government offices to the streets and halls of host communities.

The growth of participatory governance relating to mining projects and operations is a positive shift with which we continue to evolve. How we engage with our host communities continues to change and varies from site to site; however, maintaining strong community relationships has been a company priority since Yamana was founded in 2003. Similarly, our operation's social license to operate (SLO) continues to be one of the top priorities for a range of our stakeholders – from investors, to government, to civil society and of course, the communities themselves.

We speak with our communities frequently, using various formal and informal venues, in ways that promote transparency, accountability and ultimately trust. This allows us to understand a community's most material issues, which are typically managed through participatory processes that hold all parties accountable. We believe that this collaborative dialogue approach has to be the foundation for managing impacts, such as noise, dust, vibration or increased traffic due to a mining project. While these types of impacts typically cannot be completely eliminated, cooperative management approaches allow us to more effectively minimize them, while also holding us accountable.

Engaging with communities is about more than just minimizing potential issues; it is also about sharing the benefits that our operations can bring. Direct economic benefits like jobs and contracts are of critical importance to the communities where we operate, and maximizing local jobs and procurement has been a focus of our community relations efforts since Yamana's inception. This commitment is shown in the numbers, particularly when looking at our local procurement, where 17% of our purchasing was done through local communities in 2015, and with our level of local employment, with approximately 75% of our employees coming from our local communities. We complemented these direct economic benefits in 2015 with a range of local community development programs, represented by a total investment of \$5.38 million last year.



## Transparent Dialogue

We have a number of different mechanisms established across our operations to foster frank and transparent dialogue with communities and local stakeholders.

Our Citizen Meetings program provides a formal meeting at least once a quarter for individuals to meet with mine management to discuss the operation and any concerns they may have. In 2015, a total of 46 meetings were held, involving approximately 800 individuals.

These formal meetings are complemented by our Open Doors program, which welcomes citizens and various social groups, including universities, schools, NGOs and other community members, to visit our operations. These visits allow participants to see our facilities, learn how we operate, in addition to learning about our social, environmental, and health and safety programs. In 2015, we supported 109 such visits, involving approximately 2,000 individuals.

In addition to ongoing dialogue, we undertake a detailed social diagnosis at all our mines every two years. The purpose of these surveys is to identify the major impacted stakeholders, learn their perceptions of how we operate, and gather information on their interests and any impacts mining has caused in the communities. We use this information to guide our dialogue and support the design of our social planning with communities. In 2015, we initiated a comprehensive assessment of our engagement and work with host communities.

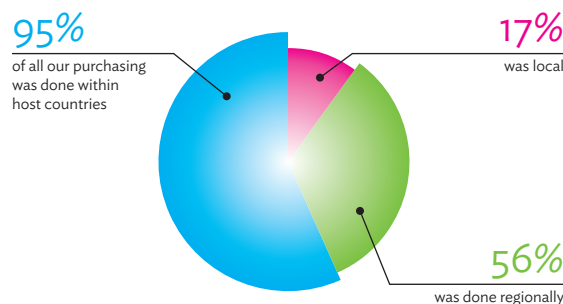
## 2015 Highlights

Total community programming spend of approximately \$5.8 million.

Local employment levels were maintained at approximately 75%.

Activities relating to our employee volunteering days reached over 16,800 individuals.

## Local & Regional Supply Chains



## Total Grievances by Mine Site

Mine sites	2015	2014	2013
Chapada	11	4	2
Jacobina	4	5	16
Fazenda Brasileiro	-	1	2
Pilar	4	4	7
Gualcamayo	-	-	1
Cerro Moro	-	-	-
Florida	1	-	6
El Peñón	-	-	-
Mercedes	-	-	-
<b>Total</b>	<b>20</b>	<b>14</b>	<b>34</b>



# Climate Change

Climate change presents real, immediate risk to our planet's ecosystems. It also presents serious potential risks for mining industry as our operational processes can be significantly impacted by a range of issues related to water, weather and/or energy.

As a result of sensitivities to the potential impacts of climate change, Yamana recognizes the need to integrate climate change responses and planning into our mine development and operational approach.

Over the last five years in particular, this issues has also been a growing concern for specific stakeholder groups, including the social responsible investing (SRI) community, and other long-term investors. With its increased prominence as a material issue, our operations have been adjusting mine development and operations accordingly, as new rules, regulations and weather patterns have emerged. In explaining Yamana's approach to climate change, we typically explain as a two-pronged strategy of adaptation and energy efficiency.

## **Adaptation**

The first prong of our strategy recognizes that while we have our part to play in controlling emissions (discussed in energy efficiency), we also must be prepared to manage the climatic changes that are currently underway and that may impact our operations. More specifically, with the potential for extreme weather events, we regularly review the risks to our operations and modify our facilities as required.

Our approach to tailings management is a good example of this strategy in practice. We are constantly reviewing both planning (new dams or additions to existing facilities) and operational aspects of our tailings management by re-evaluating the risks of and mitigation measures for changing weather patterns and the effects of extreme storm events. These ongoing re-evaluations, based on the latest estimates, are designed to ensure our tailings management is robust and takes into account the latest environmental data. This same approach to planning and development is incorporated into a range of environmental and general mine operations. The objective is to do our best to prepare each operation to be adaptable and ready to respond to the effects of climate change.

## **Energy Efficiency**

The second prong recognizes that we must join global efforts to reduce emissions and other actions that are contributing to climate change. The most effective means to achieve this is simply to become increasingly more efficient in our use of energy.

To that end, our energy efficiency programs are focused on minimizing the use of fossil fuels across our portfolio and reducing our carbon footprint wherever possible. The focus on fossil fuel use provides the greatest returns; however, we are evaluating all forms of energy use to identify areas for improvement.

While we focus on energy efficiency, we must also consider the operational needs of our mines and strike an appropriate balance. Energy efficiency and overall operational efficiency often work in tandem, but in some cases they can be at odds. For example, at some of our aging operations we have to go deeper and increase haulage routes, which require more energy. In this context, we continue to be vigilant in energy/carbon management and aim to maintain a consistent carbon footprint.

Each of our operations and sites, with corporate oversight, is responsible for developing its own energy reduction program and site-specific targets. In 2015, some of the initiatives identified across our portfolio included:

- Replacing engines with high performance engines;
- Replacing water main pumps with higher yielding pumps;
- Replacing undersized and overloaded circuits through electrical structural reforms;
- Reducing engine wear and fuel consumption through the use of fuel additives;
- Switching to higher efficiency lighting; and
- Changing air compression and ventilation systems.

## 2015 Highlights

Total Greenhouse Gas Emissions of 197,168 tCO<sub>2</sub> (scope 1) and 245,838 tCO<sub>2</sub> (scope 2).

Greenhouse Gas savings equivalent to approximately 121 million miles of driving by an average passenger car.

## Total Greenhouse Gas Emissions

	2015	2014	2013
Scope 1 (tCO <sub>2</sub> )	197,168	234,316	232,807
Scope 2 (tCO <sub>2</sub> )	245,838	248,453	224,769

## Energy Savings – MWh

	2015
Mercedes	614
Chapada	39,062
Fazenda Brasileiro	502
Pilar	302
Jacobina	-
Gualcamayo	4,730
El Peñón	548
Florida	15
<b>Total</b>	<b>45,774</b>



## Governance

While many of the material issues discussed in this report are of interest to specific subsets of stakeholders, a common underlying theme in all the discussion we have with stakeholders relates to how we approach the management and governance of any specific issue, and health & safety, environment and community relations (HSEC) in general.

Governance questions are what tie all of the material issues discussed in this report together. Our governance practices give stakeholders a perspective of how we, as an organization, manage information flow and risk, from our operations to the corporate office.

At a minimum, stakeholders want to ensure that good practices are in place for the range of environment, community and employee wellness issues, but at the same time want to see that we are constantly pursuing best practice approaches. Good governance is a necessary component of ensuring we are operating ethically, sustainably and to the mutual benefit of our shareholders, employees, communities and various other stakeholders. So while it may not be the most topically material theme explicitly stated by our stakeholders, it is the most common underlying issue that we address, from community meetings to investor discussions.

How HSEC is managed and governed at Yamana has, and continues to evolve as the organization matures. The company has grown rapidly since its inception in 2003, with much of the first decade focused on ensuring that adequate governance processes, procedures and standards were in place at each operation. This risk-oriented approach leaned heavily on the application of both an internally developed management systems as well as external ones, including:

- ISO 14001
- OSHAS 18001
- International Cyanide Management Code Standard

These systems, along with our internal management systems (including our industry-leading Tailing Management System) have been audited yearly at all sites to ensure compliance. Simultaneously, the company employs a number of voluntary guidelines in a non-required capacity, such as the IFC's Performance Standards for Environmental and Social Responsibility and the Voluntary Principles on Security and Human Rights.

2015 marked the beginning of a two-year transition period for Yamana's HSEC management. In the past year, the company shifted some of its corporate HSEC functions from Brazil to Toronto and brought on a Senior Vice President of Health, Safety and Sustainable Development to help strengthen the link to senior management, the CEO and Board of Directors. This appointment was part of a larger transition in Yamana whereby we streamlined management and our organizational structure to ensure we are positioned to meet or exceed all of our objectives.

The focus of 2016 will be the maturation of the HSEC discipline at Yamana and the transition from a more audit-based approach to the development of a performance-oriented, company-wide HSEC culture that is embedded throughout our company.

In addition, we aim to continuously improve our reporting on sustainability issues and performance. Starting with our reporting for the 2016 financial year, we will meet our obligations under the Extractive Sector Transparency Measures Act (ESTMA). This new reporting framework will provide further transparency on certain payments to all levels of government in Canada and abroad.

## 2015 Highlights

For the 3rd consecutive year, Yamana was recognized by Corporate Knights Magazine as one of the Best 50 Corporate Citizens in Canada (June 2015).

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**Mining Co. of the Year:** Yamana was selected the 2015 Mining Company of the Year by the non-profit organization Fundamin, which focuses on sustainable mining issues in Argentina. The award was in recognition of the company's sustainable mining practices and its steady growth at Gualcamayo, as well as continued advancement of the Cerro Moro project and its extensive and collaborative community relations work around the Suyai project in Esquel.

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**Human Rights Recognition:** In Brazil, Yamana received a certificate of recognition by the NGO Childhood Brazil, for being a partner of the Business Pact Against Sexual Exploitation of Children and Adolescents and also for having met the On The Right Track Program requirements in 2015, which includes raising awareness with employees and contractors on the issue, which is particularly pertinent to the mining industry.

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