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ACCOUNTING FOR IMPACT: FINANCIAL AND SUSTAINABILITY REPORTING OF RELOCATING GRAVES IN SOUTH AFRICA

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Executive Summary

This report follows a series of papers published by the Capitals Coalition on financial and sustainability (non-financial) reporting. Most recently, the paper, [Towards a Conceptual Framework for Sustainability Reporting and Disclosing Impact on Natural, Social and Human Capital in Financial Statements](#). Both these papers address shortfalls and challenges in the attempts to improve how non-financial information is disclosed by highlighting that the standards for how financial information is disclosed may also need revision. This paper continues this argument, exploring the complexities of reporting sustainability impacts alongside financial information by focusing on the example of relocating graves due to mining activities in South Africa. It discusses how companies present sustainability information and the challenges in deciding what to include in financial or sustainability reports. With the rise in sustainability reporting standards, the paper delves into the connectivity between International Financial Reporting Standards (IFRS) and International Sustainability Standards Board (ISSB) disclosures.

Exploring the financial disclosures regarding a specific social impact - grave relocations in the mining sector - the paper unravels the complexities surrounding payments made to affected families, termed wake fees, and the compounding social impact these relocations have on the families and the mines. These fees, negotiated based on the cost of a second funeral, encompass various cultural needs like sacrificial animals and traditional items. However, the absence of oversight on expenditure leads to familial tensions and disputes. Notably, grave relocations represent more than a financial issue; they symbolize historical grievances and social debts - potentially increasing risks and liabilities for the mining companies if left unaccounted for.

Comparative analysis of the financial and sustainability reporting between two neighboring platinum mines in northern South Africa from 2017-2022 reveals disparities and a pattern of increasing risk of “*social unrest and operational disruption*,” leading to a loss in “*enterprise value*” (AA Platinum Integrated Report 2022:105; AA Platinum Sustainability Report 2022:28). Both Ivanhoe and Anglo American entities acknowledged the challenges (social impacts) posed by grave relocations to their operations. Yet, their reports lack transparency regarding the financial impacts of these challenges. While Anglo American's general reports referenced cultural heritage and resettlement without financial elaboration, Anglo American Platinum detailed the relocations but omitted financial details such as the direct cost of the relocations. Ivanhoe's sustainability reports addressed the phased relocations without the financial information mentioned in their financial statements. Both companies' reports lacked clear information on compensation (wake fees) or the financial implications of grave relocations, raising concerns about the impacts on local communities and operational disruptions. The latter was acknowledged only in hindsight in the more recent sustainability reports.

The paper questions what should be disclosed in each report, contemplating economic phenomena versus sustainability impacts. It sheds light on power imbalances during stakeholder engagements, where all stakeholders exploit processes for personal gains, risking community well-being, cultural heritage, and investor relations. The dilemma between compensation and reparations complicates matters, affecting equity and trust among stakeholders.

Financial disclosures in the mining sector lack transparency concerning the total financial cost and their social consequences. While wake fees might not significantly affect financial reports, they carry broader societal implications, presenting challenges in sustainability reporting. The discussion probes whether certain economic consequences, like financial costs from grave relocations due to mining, should be disclosed in financial, sustainability reports, or both. It also deliberates on the implications of these disclosures on decision-making, user comprehension, and the potential for inconsistencies or misstatements.

The challenge lies in determining essential information for financial and sustainability reports while considering their distinct focuses, impacts on investor decisions, and societal implications. Grave relocations due to mining activities in South Africa illustrate these intricate reporting and auditing challenges.

There's an evident need for clearer guidelines, revised stakeholder engagement strategies, valuing cultural heritage, and acknowledging societal implications beyond financial metrics. The absence of comprehensive disclosures poses risks to investors and communities, emphasizing the urgency for more transparent and inclusive reporting practices.

About the Authors

The authors bring perspectives from accounting, sustainability, commercial archaeology, and several years of experience with stakeholder engagement while relocating graves in Southern Africa.

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1 Introduction

Many companies now produce information about the relationship between the company and sustainability, which may have some level of associated assurance. The decision by the International Financial Reporting Standards (IFRS) to establish the International Sustainability Standards Board (ISSB) and by the EU to issue the Corporate Sustainability Reporting Directive (CSRD) has raised the profile and expectations of sustainability reporting. These developments have contributed to the International Auditing and Assurance Standards Board's (IAASB) decision to create a sustainability assurance standard and the International Ethics Standards Board for Accountants (IESBA) decision to consider the implications for its Code of Ethics. It has also led to a debate about the relative merits of financial and 'double' materiality.

With the profile of sustainability reporting being raised, companies will have to disclose information on sustainability 'topics' following new standards and potentially have this information audited against those standards. It also provides those preparing sustainability or financial reports¹ with new challenges around what to disclose in either report. This report explores some of those challenges through the lens of relocating graves due to mining activities in South Africa. It is aimed at those responsible for preparing or auditing financial or sustainability reports and those designing guidance to help them do so.

1.1 The boundary between ISSB and IASB disclosures.

The Conceptual Framework for Financial Reporting (Conceptual Framework) was revised and issued in March 2018 and is the foundation of the work of the International Accounting Standards Board (IASB). The phrase used in the Conceptual Framework as the building block for accounting is '*economic phenomena*.' If we use the same idea for sustainability reporting, sustainability phenomena, our first task would be to decide whether a phenomenon is related to sustainability or economic, as this determines in which report they will be disclosed. Some sustainability approaches start with impacts, while others begin with topics. Impacts can be considered an equivalent idea to a sustainability phenomenon. Sustainability topics are aggregations of impacts reflecting a focus on reporting. This report will use the idea of impacts being synonymous with sustainability phenomena to analyze the relationship between financial and sustainability reporting.

The Conceptual Framework provides an overarching framework for applying accounting standards so that decisions on which economic phenomena should be disclosed meet the requirements of useful information. It recognizes some uncertainty

¹ The terms 'report' and 'disclosure' can be used interchangeably. The action of disclosing financial or sustainability information is included in the output of the respective reports.

in that information and a risk that the information that does matter (i.e., is material) has been missed or non-material information that might be misleading has been included. Not all economic phenomena are within the scope of financial information. For example, if the economic phenomena do not relate to assets, liabilities, income, expenditure, or equity. However, they may then be required to be disclosed in the sustainability report.

The approach to what is included in financial disclosures must also now consider whether the additional sustainability disclosures required by the International Sustainability Standards Board (ISSB) have implications for the financial statements. Given that the aim is to provide useful information to specific users, i.e., to use the information in decisions with a particular purpose in mind, users must understand the relationship between these two types of information. For example, Table 1 below shows the effects on an entity's ability to generate cash flows over the short, medium, and long term and where these are reported under IASB and ISSB.

1.2 Issues for Disclosure Standards

The potential overlap between ISSB and IASB standards relates to past management decisions (as shown in Table 1) since ISSB requires estimating sustainability-related financial effects (see *para 34 below*) ([IFRS S1 2023:34](#)). These sustainability-related financial effects relate to areas where there is no overlap with financial information disclosed under IASB standards or where there is an overlap but where the uncertainty is too high for disclosure under IASB standards. However, sustainability information can be included in an entity's financial disclosures by cross-reference provided that the information is available at the same time, “*and the complete set of sustainability-related financial disclosures is not made less understandable by including information by cross-reference*” ([IFRS S1 2023:B45](#)).

34 An entity shall disclose information that enables users of general purpose financial reports to understand:

(a) the effects of sustainability-related risks and opportunities on the entity's financial position, financial performance and cash flows for the reporting period (current financial effects); and

(b) the anticipated effects of sustainability-related risks and opportunities on the entity's financial position, financial performance and cash flows over the short, medium, and long term, taking into consideration how sustainability-related risks and opportunities are included in the entity's financial planning (anticipated financial effects) ([IFRS S1 2023:34](#)).

Table 1: Effects on an entity's ability to generate cash flows over the short, medium, and long term.

Primary focus	External influences	Internal influences (management decisions)
Past management decisions	-	IASB/ISSB
Future management decisions (plans)	-	ISSB
Future decisions made by others (external)	ISSB	-

Where there is an overlap, there are potential implications or challenges for both report preparers and auditors, for example:

- Do any of the economic phenomena that were not disclosed as being below the required level of certainty meet the requirements for sustainability reporting – and, if so, should they be separately disclosed? For example, in the context of this report, the financial costs of grave relocations and resettlement due to mining activity.
- If they are not within scope, is this because they are not sustainability phenomena? In which case, is there another class of phenomena altogether, neither economic nor sustainability?
- If there is a different level of certainty required for disclosure in financial reports than in sustainability reports, then there could be an overlap of information to be included in both reports; if so, should they be separately disclosed?
- Are there now additional risks of misstatement relating to disclosures in financial reports that should have been sustainability disclosures, or the reverse where sustainability disclosures should have been financial disclosures?
- Are phenomena divisible such that one aspect of the phenomena is a sustainability disclosure, and another is a financial disclosure? For example, the financial costs of grave relocations and resettlement due to mining activity and the social impact as a result.
- Does the provision of useful information mean that information could be disclosed in both sustainability disclosures and financial reports – and, if so, should the duplication be disclosed?

- What is the implication for reporting where the judgments change over time and create potential inconsistencies in year-on-year comparisons?

For auditors, irrespective of the audit requirements against sustainability disclosures, there are some additional questions:

- Do sustainability disclosures have consequences for judgments made in determining whether phenomena are within the scope of financial reporting, i.e., are assets, liabilities, income, expenditure, or equity?
- Does the scope of a financial audit now extend to the consistency of financial reports with sustainability disclosures?
- Does the audit work need to address whether disclosures in sustainability reports should be disclosed in the financial reports and for this assessment to become part of the completeness checks?
- Could a sustainability disclosure create a commitment that results in an obligation and contribute to third parties' expectations that the obligation will be met? This could result in constructive obligations.
- Finally, are there implications for the concept of a reasonable user, the basis for AICPA's² definition of risk of material misstatement in the Statement on Auditing Standards 138 ([Auditing Standards Board 2019](#)), in relation to sustainable development?

This report explores these issues in the context of one example: the consequence of mining companies relocating graves to access the resources beneath those graves. We explore how the compensation paid by companies for relocating graves in South Africa is structured and accounted for. How has this changed over time, and how have changes in the uncertainty of existence, outcome, and measurement influenced these changes?

In particular, the recognition of a liability for grave relocations is associated with a lower risk of company-community conflict. This risk is enhanced if power imbalances and reparations for historic injustices are not adequately addressed in engagement, and this follows through in subsequent financial and sustainability disclosures.

² American Institute of Certified Public Accountants

2 What should be included in financial reporting and sustainability disclosures?

Financial reports provide information on an entity's economic resources and management's stewardship of those resources. They are based on management's decisions, which affect those economic resources. Operating a business has many consequences, and if those consequences relate to economic resources, at least with a reasonable level of certainty, they are included in the financial reports. They are excluded if they are too uncertain or do not meet the definitions of assets or liabilities. In determining whether there is enough certainty to include an economic consequence, financial accounting considers three types of uncertainty: existence, outcome, and measurement.

The resulting exclusion of some consequences could result in decisions that have negative consequences for people's well-being and could, as described above, be human rights abuses. Some of these excluded consequences still relate to economic returns, but they may not meet the level of certainty required to be disclosed, and their exclusion may not be material to a user of those accounts. Nonetheless, in aggregate, across several years and other companies, this excluded information could provide useful information to users, especially those managing portfolios or those whose purpose includes taking those consequences into account.

These non-disclosed costs may reach the point that a community demands reparations - now relating to the accumulation of historical consequences. In the case of mining in South Africa, these accumulated costs arise from the historical consequence of mining as an activity and colonialization more generally. Ultimately, taxpayers, not those directly responsible, meet the cost.

There is growing recognition that investors should be able to consider some of these issues before it is too late, and this has led to the creation of the International Sustainability Standards Board (ISSB) and others, such as the European Commission's Corporate Reporting Sustainability Directive (CSRD), or the Global Reporting Initiative (GRI), which all set standards for how this non-financial information should be reported. There is also recognition by many, but not all, that only recognizing the costs likely to affect a company's financial returns will not lead to society allocating resources that meet the needs of sustainable development.

From the business perspective, seeking to understand those consequences and deciding what information to disclose and where is complicated. What should be disclosed in financial reports or sustainability disclosures? Some information is mandatory to meet the European Commission's CSRD requirements, and some may relate to other disclosures the business wishes to make. Some disclosures will even need to be in more than one place. Some depend on the type of consequence, others on the level of certainty. And for investors and investment managers acting in the

interests of those investors, making sense of all this and now making different – hopefully better – decisions is a challenge.

3 The legal context of grave relocations

The phenomenon of relocating graves is an example of the consequences of developing a new mine or expanding an existing one. All developments have an impact on the land, which includes not only environmental impacts but also social impacts and heritage impacts. In South Africa, an Environmental Impact Assessment (EIA) is required before any activity that will significantly affect the environment can be authorized ([National Environmental Management Act 107 1998:24](#)). The objective of the National Environmental Management Act (NEMA 1998) is to promote integrating the principles of environmental management in all decision-making. An EIA details the potential impact of an activity on the environment, socio-economic conditions, and the cultural heritage of an area and how these impacts can be mitigated. Hence, an EIA usually also includes a Heritage Impact Assessment (HIA), which guides decision-makers in understanding their impact on cultural heritage and how to prevent or best mitigate this impact. An example of a significant heritage asset included in these assessments is graves. The recommendation following an HIA is either to relocate the graves or leave them in situ. The latter would significantly alter development plans. Despite efforts to align policies and guidelines to protect cultural heritage while “*promoting justifiable economic and social development*,” economic and political pressures strongly influence decisions to put financial gain above well-being ([NEMA 1988: Preamble](#)). Using the phenomenon of relocating graves from mines in South Africa provides an insightful case to illustrate the above issues for disclosure standards by following real impacts from those who experience them to those who are reporting them.

3.1 The international context for involuntary relocations and respective grave relocations

According to *UN Guiding Principles on Internal Displacement*, the definition of Involuntary Displaced Persons (IDP) includes involuntary resettlement due to human-made disasters; human-made disasters include development, i.e., mining, or “*large-scale development projects, which are not justified by compelling and overriding public interest*,” ([United Nations Guiding Principles on Internal Displacement 1998](#)). International guidelines on development-induced displacement, land acquisition, and involuntary resettlement acknowledge the challenges of impacting cultural property and advise that appropriate compensation for this impact is included in the resettlement process ([IFC Performance Standard 8 2012](#)). The International Council on Mining and Metals (ICMM) warns of the potential source of conflict, which “*inadequate compensation for land, inequitable distribution of benefits, and historical grievances*” may have during and after the resettlement process ([ICMM 2015:49](#)). The involuntary resettlement of families from their homes has negative impacts on the

well-being of a host community which increases the risk of company-community conflict. Furthermore, resettlement processes often include graves, for which even fewer guidelines exist. It has been repeatedly shown that compensation is one of the main grievances and drivers of resistance to mining (Conde and Le Billon 2017) and recently in a report by the London Mining Network (LMN 2022). Mining companies know the implications of public relations fallouts and the cost-to-company during community resettlement programs. They are yet casting the 'benefits' of development for all over the right for some to access family graves and perform customary rituals freely. This hierarchy of rights is a familiar tension for company-community relations in mines worldwide. Guidelines and policies by the World Bank acknowledge graves as part of physical cultural resources, and that the 'associated rituals' as part of their relocation need to be compensated for (English, Brusberg, and Styles 2002:39). However, they are silent on the complexity of calculating compensation for physical, cultural property (OP/BP 4.11 2013; OP/BP 4.12 2013)³. Furthermore, there is little understanding of the collective or indirect impact of relocating community graves in preserving cultural practices and the social well-being of a group whose identity is fundamentally linked to the ancestors.

3.2 The South African context for grave relocations

Involuntary relocations have had a devastating impact on the socio-political psyche of the South African people. The forced relocations between 1960 and 1980 after the passing of the Group Areas Act of 1950 not only cleared prime residential land for the wealthy white community in urban areas. In rural areas, it also cleared land to expand mining activity. Today, graves form a significant connection to the land and, in some cases, may be part of complex land claims made to the Land Claims Court of South Africa (Mbhense ND). This legacy of structural violence is present while engaging with affected stakeholders and next-of-kin when graves need to be relocated due to mining activities today. Several permits are required before a grave can be relocated. The Department of Cooperative Governance and Traditional Affairs usually issues the final permit on a provincial level. This permit required the inclusion of several other permits and letters of acknowledgment, such as A permit from the South African Heritage Resources Agency, a permit from the Department of Health and Environmental Affairs, a permit from the Local Municipality or Tribal Council where the grave is being exhumed as well as reinterred, letters of acknowledgment from the local Police Station and of course the land owner, and most importantly agreement from the next-of-kin that they consent to the grave being relocated. If a concerted effort had been made to find the families through site notices, newspaper notices, and, at times, radio notices, and no next-of-kin had been found after six months, a permit would be issued to relocate the grave to the closest municipal cemetery. This

³ Only the final draft 2006 OP/BP 4.11 could be found, which replaced the OPN 11.03, Management of Cultural Property in Bank-Financed Projects.

is more commonly the case due to the nature and context of most of these graves - stone packed, often with no engraved headstone, in a rural setting, often in areas where forced relocations occurred during Apartheid or migration of casual laborers.

If families are identified, negotiations proceed where an agreement is reached on what costs the applicant (mine in this case) will cover. In short, the South Africa Heritage Resources Act says to make a concerted effort to find the next-of-kin and meet their cultural needs to relocate the grave in a dignified manner, where the applicant covers all costs. The costs are usually separated into those that are directly linked to the logistic arrangements of the relocation (i.e., the coffin and undertaker, which needs to meet health specifications, the new cemetery plot, and the archaeologist), and the other costs that cover the ceremonial or ritual practices of the family (i.e., a cow or other sacrificial animal, food for those attending the funeral, money for transport and phone costs, cloths and blanket for the deceased). The second list of costs that cover the ceremonial or ritual expenses is called the “wake fee,” which is paid directly to an individual family member with a bank account.

As graves are considered cultural heritage and Heritage Impact Assessments are included in the Environmental Impact Assessment (EIA), it makes sense that they are neatly included in the sustainability reports, yet their associated financial compensation to communities and families, as well as the multifaceted cultural and political significance they have associated with land claims - further serves as an appropriate case to think through the issues for financial or sustainability disclosure standards.

In South Africa, the inadequacy of community engagements, which do not consider the context of forced removals during Apartheid, is a common grievance among host communities affected by mining ([ICMM 2015:49](#); [SAHRC 2016:6](#)). This was reflected by the South African Human Rights Commission (SAHRC), whose report prompted the DMR to draft new guidelines for community resettlements. These guidelines acknowledge that grave relocations negatively impact communities, referencing exhumations in the introduction ([DMR 2019:7](#)). Yet, no further guidelines have been suggested. Instead, the guidelines explain how compensation should be calculated for livelihood and property loss but not for cultural property (*ibid*:9).

This silence around compensation is also seen in drafting the Promotion of National Unity and Reconciliation Act, known as the TRC Act ([Act 34, 1995](#)). The word reparation was intentionally used instead of compensation to avoid its association with financial payouts, as the government preferred symbolic gestures ([Hamper 2006:580](#)). Section 27 of the TRC Act, which deals with reparations, was amended in the last amendment in 2003 ([Act 23, 2003](#)). In 2010, regulations were published on exhumation, reburial, and symbolic burial of deceased victims, paying specific attention to the financial amount families could claim for related activities ([Reg. 356](#),

2010). The amounts were increased in an amendment to the 2016 after the public was invited to comment in 2014 ([Reg. 1305, 2016](#)). Graves relocated from mines do not fall under the same legal framework or regulations. Still, we see the same logic where compensation is intended only to cover the “*associated rituals*” and not repair historical grievances.

The complex case of relocating graves from mines in South Africa, with its long mining history combined with forced relocations during Apartheid and land appropriation, provides a clear case of the disclosure issues discussed above and the long-term risks involved.

4 Comparative analysis of sustainability and financial disclosures of grave relocations

The grave relocation activities on two platinum mines in the Limpopo Province of South Africa provides a place to start the analysis of the false boundary between sustainability reports and financial disclosures. The Limpopo province is a socio-politically charged area of South Africa. Mining is a repeated source of conflict triggered by the high inequality between the mines and the local communities. On Ivanhoe’s Platreef mine and neighboring Anglo American Platinum Mogalakwena mine, graves have been a persistent challenge and source of conflict with the local communities, as depicted in multiple newspaper reports over the years. Ivanhoe has one underground mine in South Africa, Platreef. It borders the Anglo American opencast mine, Mogalakwena. Anglo American has many mines in South Africa, but their platinum mines comprise their most extensive operations. Two different mines, one significantly larger than the other, recognized the adverse impact grave relocations could have before starting activities, and both experienced prolonged grave relocation processes with significant setbacks to operations. Yet, as the comparative analysis shows, neither discloses the financial implications of these setbacks. In Anglo American's case, relocating graves for the last six years has influenced the entire Group’s internal operating procedure – the situation on the Limpopo mines was a key contributor along with other Anglo mines in South Africa.

4.1 Method of analysis

The sustainability and financial reporting for the past six years (2017 to present) from Ivanhoe, Anglo American, and Anglo American Platinum were included in this analysis. The sustainability reporting as well as the financial impact of the activity of relocating graves was observed in these publicly available reports. This was done by searching the reports for any mention of activities related to grave relocations or resettlements and focusing on the two mines, Mogalakwena and Ivanplats.

Graves are often grouped under the more general heading of cultural heritage, which includes tangible and intangible aspects of heritage (e.g., stonewalling, ruins, buildings older than 100 years, rainmaking, and initiation sites), so the analysis of the specific

issues of relocating graves is obscured. Therefore, to analyze the activity of relocating graves, several other words were included to capture the phenomenon. These included graves, graves, cultural heritage, resettlement, and resettlements. The word “*relocation or relocate*” was searched but did not appear without mention of graves or households. The more commonly used word was “*resettlement*.” Resettlement is relocating households; it can include graves, but not necessarily. However, the burial practices of many communities in South Africa involve burying on or near one’s property, which means the resettlement of households often includes these graves. All the reports were searched for the following words for consistency: grave/s, cultural heritage, resettlement/s.

The results were then synthesized in the tables below, and patterns in the mine’s increased awareness of the impact of grave relocations were noted alongside persistent and increased tensions with the affected communities. These patterns are presented yearly across each report in Tables 2 and 3, with the following sections tracking the patterns within each type of report. This emphasizes a broader perspective of non-financial impact, which is not captured in either report. This is expanded on in the discussion and conclusions that follow the results.

4.2 Results: Tracking the sustainability and financial reporting of relocating graves

Tables 2 and 3 detail the comparative analysis of the reporting on the activity of grave relocations on Ivanhoe and Anglo American mines, respectively, from 2017 to the present. As the sustainability reporting suite of Anglo American and Anglo American Platinum is more extensive, Table 2 is much longer than Table 3 on Ivanhoe. The following analysis begins with Anglo American running through their reports covering sustainability issues: Anglo American Annual Report, Anglo American Sustainability Report, Anglo American Platinum Integrated Report, and Anglo American Platinum Supplementary (Sustainability/ESG) Report. The analysis of Anglo American’s Audited Financial Statements is presented in the final columns. Followed by a section on the analysis of Ivanhoe’s sustainability reports and financial disclosures. A key critique of the reporting on cultural heritage or the relocation of graves in these sustainability reports is that it is presented as a status update but does not explain what the impact was or could be on production and, more significantly, the natural or social impact. Despite limits to how forward-looking information can be, patterns in the past can help predict future outcomes.

4.2.1 Analysis of the financial and sustainability reporting on the activity of grave relocation on Anglo American mines

Anglo American Integrated Annual Reports

In the last six years (2017-2022), the Anglo American Integrated Annual Report does not reference graves. In the 2020 Annual Report, cultural heritage is mentioned while

acknowledging its importance to investors and as a material matter, but land access and resettlement are acknowledged as topics important to their stakeholder communities ([AA Integrated Annual Report 2020](#)). In 2020, cultural heritage was also grouped with the topic of community risk as an agenda item in the internal Sustainability Committee meeting (ibid). In 2021, cultural heritage is included under the heading “*grievances and incidents*” as an example of an adverse impact ([AA Integrated Annual Report 2021](#)).

In the internal Sustainability Committee meeting, resettlement is discussed as an “*issue*” in 2022 and as an issue “*across the Group*” ([AA Integrated Annual Report 2022](#)). Their Corporate Social Investment is detailed in the national requirement of a Social and Labor Plan (SLP)⁴. In the SLP for the Mogalakwena mine, mining operations are recognized to have a negative impact on the “*relocation of people*” but not on the “*exhumation of graves*” ([AA Platinum 2015:49](#)). In the next SLP, as renewal is required every five years, mining operations are recognized to negatively impact both “*resettlement*” and “*graves*” ([AA Platinum 2021:85](#)). Each annual report between 2017 and 2022 states that the cost of resettlement is not included as part of their Corporate Social Investment (CSI) as it is “*an expenditure that is necessary for the development of an operation,*” further confusing where the financial expense of resettlement and relocating graves should be disclosed.

Anglo American Sustainability Reports

In 2017, resettlement was noted as posing a risk to capital projects and operations and with long-term effects on the social structure if not managed responsibly ([AA Sustainability Report 2017:37](#)). The first reference to graves is in the 2018 report, where 20 graves are reportedly marked for relocation in 2019 from Kwezela (coal mine), but in the Platinum Report, it’s reported that an agreement was reached to relocate five graves ([AA Sustainability Report 2018:66](#)). In subsequent reports, the graves of the Kwezela Coal mine or any other mine, including Mogalakwena, are not mentioned again. Cultural heritage is mentioned in a general sense as a material matter when raised by impact assessments. Still, the details of the negative impacts on cultural heritage are not reported in any of the AA Sustainability Reports (2017-2022). The 2018 report mentions how new projects will be designed to avoid or minimize resettlement ([AA Sustainability Report 2018:65](#)). In 2019, grievances were raised at Twickenham and Mogalakwena mines, where the long-term effects of

⁴ “*When a company applies for a mining right, it is required to submit several documents on its plans to mine, which the Department of Mineral Resources then uses to assess whether the potential mine is viable. One of these documents is a social and labour plan (or ‘SLP’). Social and labour plans set out how the company intends to share some of the benefits that flow from mining. These include, for example, initiatives for developing the skills of their employees; upgrading local schools and roads; as well as providing housing, water, and sanitation in the area. Once a company is awarded a mining right, the social and labour plan they submitted becomes a binding legal document* ([Centre for Applied Legal Studies 2017](#)).”

previous resettlement projects are managed amidst ongoing resettlement activities. Overall, security is a concern after three separate road incidents in local communities resulted in contractor fatalities ([AA Sustainability Report 2019:68](#)).

In this tense environment, relocating graves can quickly escalate conflict and prolong the negative impact on production – which is not detailed in any of these reports (2017-2020) ([Ivanhoe Mines 2016](#); [Kruger 2017](#); [SABC Digital News 2020](#)). From 2020, the statements on cultural heritage are more evident than in previous reports, such as, “*We protect all forms of tangible or intangible cultural heritage that are not specifically covered by host-country legislation,*” ([AA Sustainability Report 2020:68](#)). However, no examples of tangible or intangible forms of cultural heritage that were protected were included in the report. In 2020, resettlement projects were treated as capital investment projects, which means assurances and the ability to amend project designs to avoid resettlements or better prepare for them (*ibid:67*).

Details on resettlements are included in the section on human rights, stating that they are avoided where possible, which “*reduces impact for communities, costs, and risks.*” The reports did not detail such impacts, costs, and risks. Furthermore 2021, after the release of the AA Social Way 3.0 2020, emphasis was placed on training staff with a “*chance find procedure*” in the event of accidentally discovering cultural heritage ([AA Sustainability Report 2021](#)). No accidental discoveries of cultural heritage nor the impact of these accidents on either stakeholder or production have been included in the reports to date.

Anglo American Platinum Integrated Reports

In 2017, resettlement was listed as a critical issue due to formal inquiries received from NGOs on its social impact ([AA Platinum Integrated Report 2017:25](#)). Finalizing the resettlement action plan for the Motlhotlo village, impacted by the Mogalakwena Mine, is a “*key issue in government relations*” ([AA Platinum Integrated Report 2018:11](#)). The first mention of graves is from the 2018 report onwards. Updates are given on graves relocated from Mareesburg Mine (a mine in Limpopo but in a different region to Mogalakwena mine) (*ibid:10-11*). Between 2018 and 2020, agreements were reached with the affected families, compensation was paid, and all these graves were successfully relocated from Mareesburg. But the total number of graves nor the compensation amount per grave is ever disclosed.

Resettlement obligations are flagged as contributing to the increased risk to Anglo American’s social license to operate in the 2018 report as well as in 2019 and 2020 ([2018:28](#); [2019:43](#); [2020:77](#)). In 2019 and 2020; it was reported that the Mogalakwena community raised concerns about the relocation of their family graves through public media. However, none of the previous reports reported these activities. The mine’s response to these concerns is that they are committed to improving lives and references the amount spent in the CSI and the social and labor

plan ([AA Platinum Integrated Report 2019:28](#)). Confounding the statement that their CSI should exclude the cost of resettlement.

In 2021, the grave relocation projects Mogalakwena and Der Brochen mine are reported on. The relocation project at Mogalakwena mine involves 1,285 graves, of which families have given consent to relocate 480 of them. Compensation is not mentioned. An update on the relocation of these graves was not provided in the 2022 report. In the 2021 report, graves are defined as cultural heritage. In the 2021 and 2022 reports, cultural heritage and graves are flagged as a cause of potentially negative impact on their social license to operate ([AA Platinum Integrated Report 2021:71](#), [2022:71](#)). In 2021, it was reported that failure to resettle surrounding communities in time could lead to excessive loss of revenue ([AA Platinum Integrated Report 2021:106](#)). In 2022, resettlement and relocation were listed as primary material issues and indicated to have an "impact on enterprise value" ([AA Platinum Integrated Report 2022:64](#)).

Anglo American Platinum Supplementary (Sustainability/ESG) Reports

In 2017, the resettlement of Motlhotlo village, which started in 2012, was mentioned under the heading "social capital is vital to our strategy," acknowledging this activity as a critical risk ([AA Supplementary Report 2017:24](#)). The impact of relocating heritage sites including graves, is acknowledged in the Supplementary ESG reports in 2017, 2018 and 2019 where several complaints were received from dissatisfied community members ([2017:48, 62](#); [2018:71](#); [2019:110](#)). The reported escalating conflict on the Rustenburg Mine in the North West province was caused by grave relocations in 2019 ([AA Platinum Supplementary Report 2019:110](#)). At this point, for the past four years, including a suspension in 2016 due to several setbacks, including community conflict, the sustainability department has been conducting an independent review to ascertain if their processes were in line with IFC performance standard 5 ([AA Platinum Supplementary Report 2018:65](#)). In a 2019 the remediation plan was being codeveloped with the affected community, with budget approved by management ([AA Platinum Supplementary Report 2019:112](#)). Again in 2020, cultural heritage and graves are listed as a key sustainability issue in both the Mogalakwena and Rustenburg Mine, with the escalating conflicts around graves continuing on the Rustenburg Mine ([AA Platinum ESG Report 2020:4](#)). The mine is committed to respond promptly to the negative impacts they cause ([2019, 120](#); [2020:132](#)). No additional effort is reported to prevent or mitigate the negative impacts of relocating graves until 2021, where the reports include improvements to the process of household and graves resettlement projects ([AA Platinum ESG Report 2021:98](#)). The first mention of the graves resettlement at the Motlhotlo village is in 2021 when reporting that it is behind schedule and that legacy issues are a continued focus with strategic engagements and improved incentives to resettle (ibid). In 2022, the first "impact on enterprise value" is acknowledged, but no further details are reported ([AA Platinum Sustainability Report 2022:28](#)).

Anglo American's Audited Financial Statements

In 2018, a trust fund of R366m (\$27.8m)⁵ was established and restricted to spending only on community development activities and village resettlements. All income earned on these funds should be reinvested or spent to meet these obligations (AA Platinum Audited Financial Statement 2018:35). By 2021 the trust had grown to R723m (\$50m) (AA Platinum Audited Financial Statement 2021:39). In 2021 it was also reported that R128m (\$8.7m) was spent on resettlement costs and R53m (\$3.2m) was spent in 2020 (*ibid*: 28). In 2022, there is no reference to the trust fund but an “*exceptional performance award*” of R1,041,939 (\$63,903) was paid to Ms. Y. Mfolo for delivering on the grave resettlement project (AA Platinum Audited Financial Statement 2022:73). The total resettlement costs in 2022 were R133m (\$8m) (*ibid*:27).

4.2.2 Analysis of the financial and sustainability reporting on the activity of grave relocation on Ivanhoe mines

Ivanhoe Sustainability Reports

The 2017 sustainability report from Ivanhoe's Platreef mine referred to grave relocations and the need for a court resolution of disputes from an individual unrelated to the deceased or their kin (Ivanhoe Sustainability Report 2017:52). Through 2018 and 2019, no graves were relocated while further consultation continued. In 2020, phase 2 of the grave relocation program was completed after signed agreements were reached through extensive consultations (Ivanhoe Sustainability Report 2020:123). Cultural heritage was also indicated as highly significant to stakeholders in their 2020 materiality assessment, and IFC PS8 was referenced for the first time in their sustainability reports. In 2021, a further 23 graves from Phase 2 were relocated. Phase 3 was postponed to 2022, while several test excavations were done to locate new grave sites next of kin and community elders had pointed out (Ivanhoe Sustainability Report 2021:139). In 2022, the permit to relocate the remaining grave included in phase 3 was submitted to the local municipality, and a change find procedure was implemented in the event of unearthing unmarked graves (Ivanhoe Sustainability Report 2022:17.106). In the latest sustainability reports, from 2020 onwards, grave relocations are included under the heading “*Material Topic*.” This implies they are crucial to decision-making, but their materiality assessment, in the context of whether the information should be included in their reporting, is not directly referenced (2020:123; 2021:139). No sustainability report refers to “*wake fee/s*” or compensation for relocating graves.

⁵ USD amount adjusted for yearly average exchange rate according to <https://www.ofx.com/en-gb/forex-news/historical-exchange-rates/>.

Ivanhoe Financial Statements

From 2017 to 2022, there is no reference to the financial compensation, or “wake-fee/s,” paid to the next-of-kin of relocated graves.

Table 2: Longitudinal analysis of the financial and sustainability reporting on the activity of grave relocation on Anglo American (AA) mines with a focus on Mogalakwena by reporting year.

Year	AA Annual Report	AA Sustainability Report	AA Platinum Integrated Report	AA Platinum Supplementary (Sustainability/ESG) Report	Audited Annual Financial Statements
2017	No reference to grave/s.	No reference to grave/s.	No reference to grave/s	The resettlement of heritage sites, including graves, is noted to cause possible negative impacts on host communities, and responding to community concerns about this is acknowledged (AA Platinum Supplementary Report 2017:48).	No reference to grave/s.
	No reference to cultural heritage.	Cultural heritage is included, when raised from impact assessments, as a material matter within social performance and human rights requirements (AA Sustainability Report 2017:36).	No reference to cultural heritage.	Culture and heritage are considered important to their host communities, which is included in their social performance framework (ibid:47). Heritage resources are mentioned when listing the level 3 complaints received (ibid:62).	No reference to cultural heritage.
	The cost of resettlement is not included as part of their Corporate Social Investment (CSI) as it is <i>“an expenditure that is necessary for the development of an operation”</i> (AA Annual Report 2017:193).	<i>“Responsible resettlement”</i> is defined as avoiding and minimizing the impacts, as they have long-term consequences on the social structure and present significant risks to AA capital projects and operations. The process is managed per the IFC Performance Standard 5 on Land Acquisition and Involuntary Resettlement and their SEAT tool ⁶ (ibid:37).	Resettlement is listed as a key issue due to formal inquiries received from NGOs on its social impact (AA Platinum Integrated Report 2017:25).	The resettlement of Motlhotlo village is mentioned under the heading “social capital is vital to our strategy,” acknowledging this project as a critical risk. 63 households are still to be resettled, and a project manager has been appointed along with a working group and steering committee (ibid:24). Detailed history of the Motlhotlo resettlement project includes 956 households. Outline of the strategy for the coming year and plan for the remaining 64 households (ibid:48).	No reference to resettlement/s. (AA Platinum Financial Statement 2017).

⁶ Anglo American launched its Social Way Policy and Socio-Economic Assessment Toolbox (SEAT) in 2004, revised on a three-year cycle. In 2009 this internal policy and assessment tool was revised into the Anglo American Social Way and revised on a five-year cycle. Today their operations are assessed internally against their “Social Way 3.0” (2020), a three-part framework comprising a policy document, a toolkit, and an assurance framework. Reference to graves appears for the first time in their internal guidance documents in the 2020 revision. In 2020, “grave/s” appeared 59 times in the 715-page Social Way Toolkit.

Year	AA Integrated Annual Report	AA Sustainability Report	AA Platinum Integrated Report	AA Platinum Supplementary (Sustainability/ESG) Report	AA Platinum Audited Financial Statements
2018	No reference to grave/s.	An estimated 20 graves on Khwezela Mine will be relocated in 2019. The issue is under the heading “ <i>responsible resettlement</i> ” and the process is managed according to the IFC Performance Standard 5 on Land Acquisition and Involuntary Resettlement and the Anglo American Social Way requirements (AA Sustainability Report 2018:66).	Grave relocation at Maresburg tailings facilities - agreement was reached with affected families; all compensated as per agreement. Five graves were successfully relocated with the support of the municipality and Department of Cooperative Governance and Traditional Affairs (AA Platinum Integrated Report 2018:10-11).	The negative impact of relocating graves is referenced in the same way as in the previous (AA Platinum Supplementary Report 2018:71).	No reference to grave/s.
	No reference to cultural heritage.	Cultural heritage is mentioned in a general sense a few times, with brief mention of their sizeable private investment in Brazil's archaeology and cultural heritage (ibid:17).	No reference to cultural heritage.	The resettlement of peoples' heritage sites was mentioned in a section about “responding to community concerns and impact” (ibid:71). Culture and heritage were also mentioned in an interfaith program held to engage with stakeholders who were not priorities in the past and to strengthen trust (ibid:72).	No reference to cultural heritage.

Year	- AA Annual Report	- AA Sustainability Report	- AA Platinum Integrated Report	- AA Platinum Supplementary (Sustainability/ESG) Report	- AA Platinum Audited Financial Statements
2018	Resettlement is referenced in the same way as the previous annual report. The cost is excluded from their CSI (AA Integrated Annual Report 2018:207).	"Responsible resettlement" is referenced in the same way as in the previous report, ending with their aim to design new projects to avoid or minimize resettlement (ibid:65).	Finalizing the resettlement action plan for the Motlhotlo village, impacted by the Mogalakwena Mine, is a "key issue in government relations" (ibid:11). "Land access and resettlement" is mentioned as a social-political/financial material issue, and "Resettlement obligations" is under "risk management" as a potential impact on their "social license to operate" (ibid:17, 28).	Resettlements are associated with improving lives. Where AA plans projects to avoid or minimize resettlement, their resettlement projects are in line with the IFC Standard 5 (ibid). Duplicated from the 2018 Integrated report, "Land access and resettlement" is mentioned as a social-political/financial material issue expanded in their social strategy and social performance management system (ibid:7, 57, 63). A detailed history of the Motlhotlo resettlement was repeated from the previous report, and additional information was provided on an independent resettlement review that the sustainability department initiated in 2015 to ascertain if their processes aligned with IFC performance standard 5. The review was suspended in 2016 due to several setbacks, including community conflict; in 2018, a consultant completed the review (ibid:65). It recommended developing a remediation plan, engagement and communication plan, and budget to be presented to management for approval (ibid).	The R366m restricted cash trust comprises funds that may only be utilized for community development activities and village resettlements. All income earned on these funds is reinvested or spent to meet these obligations (AA Platinum Financial Statement 2018:35).

Year	AA Integrated Annual Report	AA Sustainability Report	AA Platinum Integrated Report	AA Platinum Supplementary (Sustainability/ESG) Report	AA Platinum Audited Financial Statements
2019	No reference to grave/s.	No reference to grave/s.	Grave relocation at Maresburg tailings facilities - An agreement was reached with affected families; all were compensated as per the agreement, but there was no mention of any graves being relocated as in the previous year (AA Platinum Integrated Report 2019:25). The Mogalakwena community raised their concerns, including grave relocations, through public media, and the mine responded that they are committed to improving lives and reference the amount spent on their CSI and the social and labor plan (ibid:28).	On the Rustenburg mine in the North-West Province of South Africa, there was “escalating conflict around Sporong graves” (AA Platinum ESG Report 2019:110). However, the negative impact of relocating graves as a heritage site is referenced in the same way as in previous supplementary reports where they will respond promptly to any negative impacts they may cause (ibid:120).	No reference to grave/s.
	No reference to cultural heritage.	“Cultural heritage” and “resettlement” are referenced as a material matter to meet their commitments to stakeholders and society and their social performance requirements (AA Sustainability Report 2019:62)	No reference to cultural heritage.	The interfaith program that started the previous year was a continued effort to preserve the culture and heritage of host communities (ibid:123). Otherwise, heritage is mentioned in a general sense with no specifics.	No reference to cultural heritage.

Year	AA Integrated Annual Report	AA Sustainability Report	AA Platinum Integrated Report	AA Platinum Supplementary (Sustainability/ESG) Report	AA Platinum Audited Financial Statements
2019	Resettlement is referenced like the previous annual report; the cost is excluded from their CSI (AA Integrated Annual Report 2019:227).	The impact of resettlement is expanded as a material matter under human rights. The negative impacts of resettlement were not explicitly stated; however, the impact of long-term consequences is quoted as, " <i>grievances relating to land and resettlement were raised at Twickenham and Mogalakwena, where we are managing several legacy issues around resettlements, as well as an ongoing resettlement.</i> " Overall, security is a concern because "in South Africa, we experienced three separate road incidents involving our contractors resulting in fatalities in our local communities" (ibid:68).	" <i>Land access and resettlement</i> " is mentioned as a social-political/financial material issue, and "Resettlement obligations" is under "risk management" as a potential impact on their "social license to operate" (ibid:34, 43).	Duplicated from the 2019 Integrated report, " <i>Land access and resettlement</i> " is mentioned as a social-political/financial material issue (ibid:9). Resettlement and land access/management is included as a key focus area in sustainable development (ibid:111). Mine community development expenditure included 26.6mR for community trusts and resettlement (ibid:117). As in previous years, it is repeated that ICF performance standard five is followed, but IFC performance standard 1 is mentioned as well . A detailed history of the Motlhotlo resettlement was repeated from the previous report. Additional information was provided on the independent resettlement review, which concluded in 2018, and the recommendation received approval from the Amplats Executive Committee in 2019 – significant remediation is required. " Further development of the Integrated Remediation Plan in partnership with the affected communities. After that, the remediation plan will be implemented, and progress closely monitored " (ibid:121).	The R377m restricted cash trust comprises funds that may only be utilized for community development activities and village resettlements. All income earned on these funds is reinvested or spent to meet these obligations (AA Platinum Financial Statement 2019:36).

Year	AA Integrated Annual Report	AA Sustainability Report	AA Platinum Integrated Report	AA Platinum Supplementary (Sustainability/ESG) Report	AA Platinum Audited Financial Statements
2020	No reference to grave/s	No reference to grave/s	Grave relocation at Maresburg tailings facilities - agreement was reached with affected families, all were compensated as per agreement, and all graves were successfully relocated (AA Platinum Integrated Report 2020:64). Complaints about grave relocations, among other issues from communities around Mogalakwena continue to be received through the media (ibid:67).	Cultural heritage and graves are referenced as a key sustainability issue in both the Mogalakwena and Rustenburg Mine with the escalating conflicts around graves continuing on the Rustenburg mine as stated in the previous year (AA Platinum ESG Report 2020:4). Again, a prompt response to the negative impact they have caused is acknowledged (ibid:132).	No reference to grave/s.
	<i>Cultural Heritage is mentioned as important to investors as a material matter under “social performance” and discussed in their internal sustainability committee meeting under “cultural heritage and community risk management”</i> (AA Integrated Annual Report 2020:13, 15, 39, 114).	Cultural heritage is included in their materiality assessment under “social performance” and “playing our role in society.” Cultural Heritage has a whole page detailing how they “ go the extra mile ” and “ protect even those forms of tangible or intangible cultural heritage that are not specifically covered by host-country legislation, ” (AA Sustainability Report 2020:68).	No reference to cultural heritage.	No reference to cultural heritage in the report. Release of the Integrated Management System for Social Performance – the AA Social Way 3.0 ⁷ , where graves are included in the definition of cultural heritage for the first time since their first Social Way document in 2004. Furthermore, the significance of graves is matched with the requirement of a “ Grave Relocation Plan ” where applicable (AA Social Way 2020:462).	No reference to cultural heritage.

⁷ Anglo American launched its Social Way Policy and Socio-Economic Assessment Toolbox (SEAT) in 2004, revised on a three-year cycle. In 2009, this internal policy and assessment tool was revised into the Anglo American Social Way and revised on a five-year cycle. Today, their operations are assessed internally against their “Social Way 3.0” (2020), a three-part framework comprising a policy document, a toolkit, and an assurance framework. Reference to graves appears for the first time in their internal guidance documents in the 2020 revision. In 2020, “grave/s” appeared 59 times in the 715-page Social Way Toolkit.

Year	AA Integrated Annual Report	AA Sustainability Report	AA Platinum Integrated Report	AA Platinum Supplementary (Sustainability/ESG) Report	AA Platinum Audited Financial Statements
2020	<p>“Land access and resettlement” is listed as a topic important to their stakeholder communities (ibid:13). Resettlement is also mentioned in the same way as the previous annual report; the cost is excluded from their CSI (ibid:245).</p>	<p>Resettlement is referenced numerous times not only in the Mogalakwena mine but also in Brazil. Resettlement governance was changed in 2020 and treated as a capital investment project, which means assurance and the ability to amend project designs to avoid resettlements or better prepare for them (ibid:67).</p>	<p>“Resettlement obligations” are mentioned under “risk management” as potentially impacting their “social license to operate” but omitted from being a political/financial material topic (ibid:77).</p>	<p>Resettlement legacy issues mentioned on their Mogalakwena and Twickenham Mines (AA Platinum ESG Report 2020:4). Land access and resettlement are listed as a material issue associated with the socio-political environment (ibid:9). Both IFC performance standards 1 and 5 are references and guiding their resettlement process – stating that “each resettlement must also be planned and implemented in a participatory manner,” (ibid:132). A detailed history of the Motlhotlo resettlement is repeated, and additional information is provided on the 61 remaining households – an addendum to the 2012 agreement was drafted and approved by 31 households. On independent review, a meeting is planned with the Mapela traditional authority as the initial meeting was postponed due to COVID-19 – the co-development of the integrated remediation plan is yet to begin (ibid:134).</p>	<p>R498m restricted cash trust comprises funds that may only be utilized for purposes of community development activities and village resettlements. All income earned on these funds is reinvested or spent to meet these obligations (AA Platinum Financial Statement 2020:35).</p>

Year	AA Integrated Annual Report	AA Sustainability Report	AA Platinum Integrated Report	AA Platinum Supplementary (Sustainability/ESG) Report	AA Platinum Audited Financial Statements
2021	No reference to grave/s.	No reference to grave/s.	Mapela Traditional Council consented to the graves resettlement project (AA Platinum Integrated Report 2021:70). Grave resettlement projects are underway at Der Brochen, where obtaining consent from affected family agreements is still being worked on, and Mogalakwena (1,285 graves), where consent has been obtained from 480 graves (ibid:71).	The resettlement process of households and graves has been rigorously improved and is mentioned at length in several contexts throughout the report. Grave resettlement at Motlhotlo village is behind schedule, with only 62 of the 207 graves identified by the family and having signed consent to resettle the graves (AA Platinum ESG Report 2021:98). Grave resettlements are a concern to raise in their key strategic engagements with the government (ibid:114).	No reference to grave/s.
	<i>“Cultural heritage”</i> is mentioned as a material matter under <i>“social performance”</i> and under <i>“grievances and incidents”</i> as an example of an adverse impact (AA Integrated Annual Report 2021:17, 47).	The same mention of cultural heritage as a material matter under social performance. Cultural Heritage again has a full page detailing how the Social Way 3.0 is being implemented, emphasizing training and preparedness for accidentally discovering cultural heritage as a “chance find procedure” (AA Sustainability Report 2021:50).	Graves are defined as cultural heritage (ibid:71). Cultural Heritage issues are referenced as a root cause to potentially negatively impact their social license to operate (ibid:80).	Continued focus on legacy issues caused by the resettlement of households and graves, particularly at the Mogalakwena Mine. The first acknowledgment of graves as living heritage and their intergenerational character and attachment to place and landscape. In situ conservation of graves is preferred but was not achieved in the past or is not possible today – AA is working on consistency to this process based on a history of lessons and drafted a burial grounds and graves procedure due for approval in 2022 (ibid:118).	No reference to cultural heritage.

Year	- AA Integrated Annual Report	- AA Sustainability Report	- AA Platinum Integrated Report	- AA Platinum Supplementary (Sustainability/ESG) Report	- AA Platinum Audited Financial Statements
2021	<p>"Social performance, community land access, displacement, and resettlement issues," is listed as an agenda item discussed by the Sustainability Committee (ibid:124). Resettlement is also referenced in the same way as the previous years, and the cost is excluded from their CSI (ibid:33).</p>	<p>Resettlement was mentioned as previously - not included in their CSI, and it was also discussed by the Sustainability Committee. Additional technical training was provided to staff on "displacement and resettlement" (among other topics) as part of the second phase of embedding the Social Way 3.0 in their practices (ibid:48). Resettlement was expanded in the human rights section, detailing that it avoids where possible which "reduces impact for communities, costs, and risks." New resettlement projects are treated as capital investment projects (ibid:58).</p>	<p>Voluntary resettlement was discussed at board meetings as an ESG-related matter (ibid:32). Government departments were engaged in expanding the Mogalakwena complex. The importance of robust community engagements to ensure the gaps from previous resettlement projects was raised (ibid:69). Several complaints were received through the media – the resettlement of the Motlhotlo village was among the issues (ibid:73). Legacy issues are listed as not a primary issue in the materiality assessment (ibid:74). Yet, failure to resettle surrounding communities in time could lead to excessive loss of revenue (ibid:106).</p>	<p>Legacy issues remain a concern in the Motlhotlo resettlement project. "Beyond 2021, we will continue to advance resettlement of the remaining Motlhotlo households and graves through strategic engagements and improving incentives to resettle" (ibid:98). More detailed summary of resettlement projects and their legacy issues on other AA mines in South Africa, including the planned resettlement project at Skimming Leruleng villages and again at Mogalakwena Mine to the west of the pit, incorporating lessons from prior projects. "We are addressing legacy resettlement issues and negotiating involuntary resettlement to secure future land access for stakeholders" (ibid:88).</p>	<p>Resettlement costs R128m (and R53m in 2020) (AA Platinum Financial Statement 2021:28). R723m restricted cash trust comprises funds that may only be utilized for purposes of community development activities and village resettlements. All income earned on these funds is reinvested or spent to meet these obligations (ibid:39).</p>

Year	AA Integrated Annual Report	AA Sustainability Report	AA Platinum Integrated Report	AA Platinum Sustainability (Supplementary/ESG) Report	Financial Statements
2022	No reference to grave/s.	No reference to grave/s.	Graves and cultural heritage were referenced the same way as the previous year as a principal risk within their social license to operate. Cultural heritage issues are a root cause (AA Platinum Integrated Report 2022:71).	Cultural heritage and grave relocations are key strategic engagements from 2022 (AA Platinum Sustainability Report 2022:111). An interview with the CEO in the first pages mentioned that full family consent for grave relocations was obtained, " <i>something previously thought impossible</i> " (ibid:13). Grave relocation at Mogalakwena has begun. Significant lessons were learned about " <i>dealing with sensitive cultural heritage issues such as grave relocations,</i> " with two pages on " <i>respecting cultural heritage</i> " (ibid:105-6).	Reference to an " <i>exceptional performance award</i> " of R 1 041 939 paid to Y Mfolo for delivering on the grave resettlement project (AA Platinum Financial Statement 2022:73).
	" Cultural heritage management " and " <i>Social performance, community land access, and displacement and resettlement issues across the Group</i> " are listed as an agenda item discussed by the Sustainability Committee (AA Integrated Annual Report 2022:147).	The same mention of cultural heritage as in previous years as a material matter under social performance. And continued implementation of their Social Way 3.0 and training from lessons learned across the group in managing cultural heritage (AA Sustainability Report 2022:76).	(Same as above)	(Same as above)	No reference to cultural heritage.

Year	- AA Integrated Annual Report	- AA Sustainability Report	- AA Platinum Integrated Report	- AA Platinum Sustainability (Supplementary/ESG) Report	Financial Statements
2022	Resettlement is also referenced in the same way as the previous years; the cost is excluded from their CSI (ibid:33).	Reported on the steady progress of resettlement of the remaining households from Motlhotlo village at their Mogalakwena Mine, with the resettlement planning of two other villages underway and planned to be completed in 2024 (ibid:47). Resettlement data is not included in preparing their key sustainability data as only their Corporate Social Investment was tracked, excluding resettlement expense (ibid:97).	Resettlement and relocation are listed as a primary material issue and indicated to have an "impact on enterprise value" (ibid:64). In reporting on the operations review of Mogalakwena Mine, resettlement is listed as contributing to social unrest and operational disruption (ibid:105).	Resettlement and relocation are listed as a priority material issue in their extensive Materiality Assessment done by a third party (ibid:27-32). It is also indicated to have an "impact on enterprise value" (ibid:28).	Total resettlement costs R133m (ibid:27).

Table 3: Longitudinal analysis of the financial and sustainability reporting on the activity of grave relocation on Ivanhoe Mines by reporting year.

Year	Ivanhoe Sustainability Reports	Ivanhoe Financial Statements
2017	75 Graves relocated between 2015-2017 Detailed status timeline and status update of the grave relocation program. Significantly, the process was delayed due to a legal challenge by an individual unrelated to any of the deceased persons or their kin. The process resumed after the South African High Court declared the grave relocation lawful and compliant (Ivanhoe Sustainability Report 2017:52).	No reference to grave/s (Ivanhoe Financial Statements 2017).
	No reference to cultural heritage.	No reference to cultural heritage
2018	Further grave relocations pending approvals (Ivanhoe Sustainability Report 2018:54).	No reference to grave/s (Ivanhoe Financial Statements 2018).
	No reference to cultural heritage.	No reference to cultural heritage
2019	Grave relocation is referred to as heritage in relation to the number of stakeholder meetings that were held with no status update on the grave relocation progress (Ivanhoe Sustainability Report 2019:39).	No reference to grave/s (Ivanhoe Financial Statements 2019).
	No reference to cultural heritage.	No reference to cultural heritage
2020	Brief statement that phase 2 graves relocation was completed, with no reference to "wake-fees" other than extensive consultations and signed agreements (Ivanhoe Sustainability Report 2020:123).	No reference to grave/s (Ivanhoe Financial Statements 2020).
	Cultural heritage, including graves, was highlighted in their 2020 materiality assessment as highly significant to their stakeholders. IFC Performance Standard 8 on cultural heritage was referenced and acknowledged that sites should be left in situ unless there is no alternative. Phase 3 grave relocations are planned for 2021.	No reference to cultural heritage

Year	- Ivanhoe Sustainability Reports	- Ivanhoe Financial Statements
2021	23 graves were relocated in 2021, completing phase 2, and consultations for phase 3 continue with test excavations of graves pointed out by next-of-kin and community elders (Ivanhoe Sustainability Report 2021:139). Phase 3 grave relocations are planned for 2022.	No reference to grave/s (Ivanhoe Financial Statements 2021).
	Grave relocations are referenced under Cultural Heritage as a Material Topic, again referencing IFC PS8 and their 2020 materiality assessment (ibid).	No reference to cultural heritage
2022	The permit application was submitted to relocate all remaining graves in the project area (phase 3) (Ivanhoe Sustainability Report 2022:17, 106).	No reference to grave/s (Ivanhoe Financial Statements 2022).
	Grave relocations are referenced under Cultural Heritage as a Material Topic, again referencing IFC PS8 and adding detail that they have implemented a Chance Find Procedure in the event of unearthing unmarked and previously unknown graves or heritage features (ibid:106).	No reference to cultural heritage

4.3 Financial Disclosures

The financial aspect of grave relocation is payment to affected communities. The basis for negotiating this payment has been the cost of a new funeral and a wake fee. The cost of the new or second funeral is calculated through a stakeholder engagement process, including affected families, community leaders or chiefs from relevant tribal authorities, and, in some cases, local municipalities.

The wake fee covers the unique cultural needs of the affected families. It could include but is not limited to, the cost of a cow, goat, or chicken, traditional garments for the deceased, a blanket for the deceased, traditional beer, traditional tobacco (snuff), groceries, cell phone credit, transport, etc.

Once the wake fee per grave has been agreed upon for the project, all affected families receive the same amount per grave. The amount paid to an elected family member is usually a family elder or the closest next-of-kin to the deceased. Still, in some cases where the elderly do not have bank accounts, a younger family member is elected.

There is no monitoring that the agreed items or sacrificial animals are bought. This can cause family tensions if the ceremony is not done properly. Although the wake fee is designated for the new funeral, the money may be spent to cover more urgent needs of the family, such as rental payments or buying groceries. Critical social impacts include family conflicts caused because the money is not equally shared within the family, if shared at all. In some cases, where families can receive a relatively large sum when claiming for several graves, this lump sum is paid to a single family member. Whilst this payment is being made, the amount is not necessarily disclosed, and the individual transactions form part of the disclosure of another account balance, such as within the cost of contractors.

In other mining companies, where the information on payments has been gathered through newspapers and reports, wake-fee payments per grave have increased over the years as they become a more prominent risk in stalling production (Table 4). The higher payment may represent a greater willingness of a mining company to meet community demands, given the risk to production of any delays.

Table 4: Publicly available data on compensation amounts paid per grave.

Approx. Year	Mining Company	Mineral Resource	Mine, Province	Amount in ZAR (USD ⁸)	Reference
2008	Anglo America	Platinum	Mogalakwena, Limpopo	R 1,500 (\$ 180)	(Modimoeng 2010; Saccaggi 2012:43)
2010	Glencore	Coal	TOP, Mpumalanga	R 1,500 (\$ 200)	(Skosana 2019:123)
2015	Glencore	Coal	TOP, Mpumalanga	R 9,000 (\$ 700)	(Skosana 2019:124)
2016	Ivanhoe	Platinum	Platreef, Limpopo	R 26,000 (\$ 1,770)	(Mzamo 2016)

Neither the amount paid nor the cost to the company of not obtaining consent for unclaimed graves was disclosed in any of the above reports from Anglo American and Ivanhoe. As the total amount paid is not disclosed, it isn't easy to know whether an amount has accrued for payments to non-identified families. As a minimum, when families are identified, this liability would accrue, so a provision might be expected.

However, even if families are not identified, there would be an argument that there is a constructive obligation. Paragraph 4.31 of the Conceptual Framework states, *“Obligations can also arise, however, from an entity’s customary practices, published policies, or specific statements if the entity has no practical ability to act in a manner inconsistent with those practices, policies, or statements. The obligation that arises in such situations is sometimes referred to as a ‘constructive obligation.’”* Regarding the impact on identifying families, para 4.29 states, *“An obligation is a duty or responsibility that an entity has no practical ability to avoid. An obligation is always owed to another party (or parties). The other party (or parties) could be a person or another entity, a group of people or other entities, or society at large. It is not necessary to know the identity of the party (or parties) to whom the obligation is owed.”* If there is a valid expectation by third parties that this payment would be made, which would seem to be the case given the other payments that had been made, a constructive obligation may have arisen.

However, excluding this liability may not be material using the wake fee as the basis. Still, it might be material if the risk to future cashflows arising from non or inadequate payment could be assessed at a level of certainty required for disclosure. For financial reporting, if the economic phenomenon, which this now is despite relating to a social phenomenon, falls in scope and meets disclosure requirements, it should be

⁸ USD amount adjusted for yearly average exchange rate according to <https://www.ofx.com/en-gb/forex-news/historical-exchange-rates/>.

accounted for as relevant, with the risk of material misstatement being assessed at a level of aggregation irrespective of the size of the payment. For sustainability reporting, it could be identified as not material at the level of an individual topic and, therefore, not included in the sustainability report. This further highlights the challenges faced by those preparing the reports and those auditing them, the different criteria for including phenomena and topics, and the shifting boundary between financial and sustainability reports.

Some payments relate to payments for grave relocations that are sometimes separately disclosed. For example, in Anglo American Platinum's 2022 Audited Annual Financial Statements, the table on *Total single figure of remuneration (income statement)* in annexure D includes a payment of ZAR 1,041,939 (approx. \$63,900⁹), which relates to a payment for an "exceptional performance award for delivering on the grave resettlement project." Yet this was the only reference to grave relocations in the financial statements, despite it increasingly being addressed in the sustainability reports. Each year, grave relocations, coupled with resettlements, continued to have a negative impact with increasing risk on production, and by 2022, "impact on enterprise value" was reported in the supplementary sustainability report. It measures the value that could be ascribed to payments for grave relocations.

4.4 Relevance and risk of materiality misstatement in the context of grave relocations

The basis for meeting obligations arising from grave relocations has been paying a "wake fee." This payment will be included in the company's financial accounts as a relevant expenditure. If unpaid when the accounts are prepared, it would also be included as a liability. From the perspective of the primary user, if a "wake fee" were missing, either because the payment was made but not recorded or because a grave was moved without payment (for example, when no next-of-kin is found), or because the liability had not been recognized, this is very unlikely to be material to their decisions. From the audit perspective, it is very unlikely to be material to whether the financial statements meet legal requirements for company reporting. Even if it is included, unless there is a specific requirement for disclosure, for example, there is for directors' remuneration, these payments will be lost within an account balance as part of operating expenses.

Of course, if it were missing because it had not been paid and not recorded as a liability, it may be material to the individuals who would have received the fee to pay the cost of a second funeral, or for their families, or for the community who use a graveyard with its associated cultural and heritage significance. Whilst the payments

⁹ USD amount adjusted for yearly average exchange rate according to <https://www.ofx.com/en-gb/forex-news/historical-exchange-rates/>.

may not be material to include in financial reports, the wider issues around relocating graves and the social impact of forced relocations are still likely to be a material “topic” and separately form part of sustainability disclosures. As with financial accounting, they should be considered relevant for sustainability accounting without any risk that they might not be considered material whether the user is an investor interested in financial returns or the community interested in wellbeing more generally.

Payments for grave relocations highlight some of the limitations of the financial or double materiality debate. Here, we list some reflection points as examples; some are explored further in later sections.

- Whether or not a phenomenon is relevant does not mean it is separately disclosed.
- The value of the payment of a wake fee does not represent the potential reduction in financial returns in the event of company-community conflict, nor does it represent the loss in value to those affected (section 4.3 above).
- Relevance for financial accounts or materiality for sustainability reports is not the same as the risk of material misstatement in the assurance of information (section 1.1 above).
- For assurance, the assessment of the risk of material misstatement is at the level of the account balance (the profit and loss account or the balance sheet). So, the value that has been recognized is likely lower than the value that would make the omission material to financial decisions.
- Given the risk to the company’s operations of company-community conflict, the user might be expected to benefit from information on the level of future risk and actual historic loss. However, this may have been judged as not in scope, i.e., not an asset or a liability, or as not meeting the level of certainty required for inclusion in sustainability disclosures as a financial material sustainability disclosure (section 5.1 below).
- Equally, users might be expected to benefit from insights into how managers’ decisions have addressed this issue, information which may not be available in either location.

- Although there may be graves that have been relocated without the families being identified and so a payment has not been made, the liability may not be recognized¹⁰.

The disclosure issues raised above in the section 1.2 begin to frame the unregulated and undisclosed issues on the ground. In all issues raised, whether just noted or explored below, there is an issue of power and fundamentally how value is interpreted and then measured. **Whether compensation is adequate assumes equal negotiating power between those seeking to move graves and those being compensated.** The measure of whether the obligations arising from relocating graves have been met or not goes beyond the payment of a wake fee. There is an immeasurable loss experienced by the community's disconnect from the land and the ancestors who were part of it. This loss is not acknowledged in the wake-fee. Both non-payment and payments of wake fees not representing the lost value may contribute to an increased risk of company-community conflict and demands for reparations. Similarly, there are different power perspectives in determining whether a phenomenon is material or not, whether it matters to decision-makers to be made aware of. Across the board, those with power assume the only risk to highlight to decision makers (themselves) is loss of financial return.

5 Assets and liabilities, and equity

5.1 Recognizing assets and liabilities: going beyond contract payments and compensation

There is more to the question of potential liabilities than the payment of a wake fee. Limited guidelines for managing the grave relocation process leave plenty of room for exploitation by developers, consultants, and the next-of-kin or opportunists. The examples listed below are highly sensitive, difficult to prove, and subjective. However, all erode the trust between everyone involved during the stakeholder engagement process and beyond.

¹⁰ In the case of the Medupi Power Plant in South Africa sufficient public consultation was not done during the initial heritage impact assessments and scoping reports between 2005-2010. It led to exhumations without relative present as well as unmarked graves being accidentally destroyed and later further investigation and consultation with distraught relatives ([Ackroyd 2014](#)). The African Development Bank, a major power plant funder, agreed that further efforts could have been made to consult with relatives. A second heritage impact assessment was commissioned the Department of Environmental Affairs and carried out by an independent consultant (Mbofho Consultants). They made various recommendations and urged that a single remedy would not work rather a multi-pronged approach is more appropriate with medium to long term goals including introducing social benefits of proximity and association, memorialization, educational bursaries, protection and maintenance of graves in situ, Traditional ceremonies, monitoring and evaluation, and a heritage management plan ([Silidi et al. 2015](#)).

Examples of The Erosion of Trust by Different Stakeholders

- **By developers**, who knowingly destroy graves and ask for permission later if there is community resistance, doing the minimum stakeholder engagement with a site notice and an advert in the classifieds of a small local newspaper so as not to raise too much attention and attract "troublemakers," finding one family member which a matching surname to sign, and paying next-of-kin to sign permission to relocate graves.
- **By consultants**, who claim that there are more graves than there are, requiring more test excavations, advising for using overly technical and expensive equipment (ground penetrating radar) where it is irrelevant or unnecessary, or relocating soil samples as graves. This is subjective as, in some cases, families request soil samples when the graves cannot be found.
- **By community leaders**, who use graves as leverage for personal financial gain or service delivery (electricity, new roads, schools, improved sanitation and refuse removal, etc.) before authorizing the relocation of the graves. (In some parts of South Africa, the municipality overlaps with a Tribal Authority, which is governed by a Chief and traditional governance systems.)
- **By next-of-kin**, who use the graves as leverage for financial gain, which is not fairly shared within families as the "wake fee" is paid to one individual. Depending on the number of graves a family claims, the amount paid to a single family member can be the equivalent of the cost of a small house in South Africa.
- **By opportunists** posing as next-of-kin or "legal" representatives of next-of-kin to stall the process for financial gain.

5.2 Systemic risk: the link to reparations

Liabilities in The Grey Zones: The erosion of trust and the challenge of proof

Compensation, in the context of moving graves, arises from negotiated contracts and is linked to common law, whereas reparations sit within equity law and are imposed if claims are successful. In human rights literature, reparations are associated with repairing or replacing what was destroyed ([Sharpe 2007:24](#)). In South Africa, where forced removals and land dispossession are part of a more profound national trauma, the involuntary relocation of graves is mixed into this broader political context ([Ndlovu 2011:40](#); [Skosana 2019:142](#)). Occasionally, graves are used in land claims applications as proof of a connection to the land. When there are cases of a land claim application pivoting on the existence of family graves on the property, proving the existence of the graves is irrelevant because there is an understanding among affected communities that this is true, and the possibility of using graves as proof for land claims is real. So, relocating a grave removes that possibility in the family's mind even though the archaeological reports prove that the graves existed on the property. In a disconnected bureaucratic system, this evidence is easily lost or not obvious to investigators of land claims to check the [South African Heritage Resources](#)

Information System (SAHRIS). The extent to which a payment does not provide full compensation becomes an issue for sustainability reporting.

Avoiding these costs reduces trust, increases the risk to financial returns, and risks of further social costs being met by communities; everyone loses. The extent to which reparations would be required may be recognized in accounts if a legal case is pursued with a reasonable chance of success for the families, but otherwise, it may become an issue for sustainability reporting. The risk that issues, once recognized in sustainability reports, are more likely to lead to obligations, which means there will be pressure not to mention them at all.

5.3 Equity

Equity represents the value that, in one sense, belongs to investors and which they would only receive if the company were sold. However, there may be other costs since the accounts are prepared on the basis that the company keeps going – or is a going concern in accountancy language. Equity is also used in the sense of equitable – a fair share. This analysis suggests that equity for investors may be overstated, and the share due to communities whose graves are being moved is understated.

The confusion between compensation (contracts) and reparations (equity) is indirectly noted in the discourse used by developers and consultants, who avoid the term compensation or reparations and instead use the term “*wake fee*” when referring to the monetary exchange for grave relocations. The “*wake fee*” is closer to a contractual issue where the cost is limited to what is agreed in the contract (the memorandum of understanding of what costs will be covered by the mine) and not the social impact. The definition of an obligation being established by contract, legislation, or similar means would appear to include equity law.

6 Solutions: Addressing power during stakeholder engagement

Whether the payment of a wake fee represents the heritage value and the cultural implications of the need to move a grave depends on the extent to which the payment is seen as the equivalent of the loss of heritage, damage to culture, and harm to the well-being of relatives or the community. No further guidelines exist for how graves or cultural assets are valued or how compensation disputes should be mitigated. This would create a potential liability and risk to future income. The wake fee is a poor and incomplete proxy.

Even more so than “wake fees” the company is responsible¹¹ for repairing the damage done, not paying for a funeral. These outcomes could be estimated and valued using, e.g., the Natural Capital Protocol ([Natural Capital Coalition 2016](#)) and the Social and Human Capital Protocol ([Social and Human Capital Coalition 2019](#)). No matter the method used to measure the impact and then value that impact, there will be uncertainty, but who decides what level of uncertainty is appropriate? Financial standards are produced based on a generalized level of acceptable uncertainty set for primary users, including investors. Those experiencing the consequences may be happy with a lower level of certainty if the value is higher than their expectations, especially when those communities include mine workers and pensioners. The outcomes are more significant for the communities than only the funeral, yet the outcome for the company is what is agreed upon as a payment – the relocated grave. Local communities must not only be considered “*relevant*” stakeholders in sustainability materiality assessments but should also be able to negotiate from a position of equal power, referencing item 27 and an appendix on sustainability disclosures ([ESRS 2023:27](#)). These fees would then go up.

There is also no definitive way to determine whether the next-of-kin’s cultural needs have been met other than negotiating a compensation contract. This is where the monetary compensation and contract negotiations take on a symbolic or reparative meaning, creating miscommunication, distrust, and conflict as graves are used as leverage for reparations, and communities become increasingly frustrated by these unmet expectations (Breytenbach 2021). This confusion of contracts being used to repair an imbalance in equity goes unrecognized by developers, not due to ignorance but because calculating the cost of a second funeral is easier to measure. i.e., the relocation of the grave results in an outcome – the second funeral- that can be measured and valued.

There are other mechanisms that the South African government has in place to ensure that the host community collectively benefits from the profits of the land where mining takes place. A Social and Labour Plan (SLP) is required by the Department of Mineral Resources “*as a pre-requisite for the granting of mining or production rights*” ([DMR 2010:4](#)). The intention is to ensure the just transformation of the mining and production industries in South Africa. Nothing is obligatory to include,

¹¹ This is a contentious issue, as there is a part where the state is responsible for some “legacy issues.” However, the long-term social impacts of underdevelopment should not be used as a scapegoat. “Legacy issues” in the Anglo American sustainability report refer to the prolonged resettlement process and issues from previous phases of resettlement, which is different from the issues of economic exclusion and land appropriation during apartheid and colonization in general. In part this is a social responsibility of the state however, there are some legal requirements that are in place to assist in ensuring some responsibility from the mine, for example in the Social and Labour Plans are a legal requirement prior to obtaining a mining license.

but there are guidelines for how the Social and Labour Plan is structured; for instance, a mine could set aside a percentage of the shares in the mine from which to finance local development. In brief, "*The primary objective of mine community development is to meaningfully contribute towards community development, both in terms of size and impact, in keeping with the principles of the social license to operate*" ([DMR 2010:17](#)). Over and above the SLP, next-of-kin demand a direct benefit from having the physical connection to the land through their ancestors' graves, which is within their right. The SLP Guidelines detail that relocation of people and graves has a negative impact on the community which should be addressed and "*not regarded as mine community development project*" ([DMR 2010:18](#))." This is reflected in the Anglo American Annual Reports where it was stated the cost of resettlement is not included as part of their Corporate Social Investment (CSI) as it is "*an expenditure that is necessary for the development of an operation,*" ([AA Annual Report 2017:193](#)).

Further research does exist on heritage capital and how to value it. Heritage features are rated on a scale of significance during the Heritage Impact Assessment. Most scales range from the highest being "*leave in situ and monitor damage,*" to the lowest, "*record before excavating.*" An updated England framework for valuing culture and heritage capital towards informing decision-making was recently published ([Sagger, Philips, and Hague 2021](#)). There is ongoing research and continued conversations about how heritage is valued ([Throsby 2019](#)). With the extensive stakeholder engagement process devised by Anglo America from their lessons learned during the resettlement of homes and graves and in compliance with the ICMM recommendations, a different approach seems needed. Most stakeholder engagement is done after the decision-making process, and the affected community has little power to disagree and pose alternatives. Perhaps a third-party assessment of the stakeholder approach or involving stakeholders in decision-making that directly impacts their cultural heritage and well-being is needed.

7 Conclusion: The risk caused by avoiding social debts and historic grievances

These examples suggest contingent and constructive liabilities might need to be accounted for separately in financial reports and referenced in sustainability disclosures. However, the financial amount of the liability will depend on the balance of power in negotiating the payment, and the basis of measurement of the value of the impact on people, their human rights, and their well-being should also be disclosed. The sustainability report could include a statement from directors to confirm that the financial implications have been disclosed in the financial reports or assessed as part of the sustainability disclosures but do not require financial disclosure. This statement should separate those that are not considered assets or liabilities from those that would be but do not meet the level of certainty required for disclosure in the financial statements. The financial audit requirements should include assurance of this assertion covering both completeness and accuracy.

Where information is included in both disclosures but within account balances or sustainability topics (where impacts are aggregated), there should be a note providing the details of the issue or the transaction. This should include any difference between the measurement (value) in the financial reports and the (estimated) value of the issue in the sustainability disclosures. Where the recognition in the financial statements has changed over time because of changing social norms, legislation, or risk assessment by the company and results in historical underpayments, this amount should be recognized as a liability. The cumulative risk, as demonstrated in the assessment of the past six years of sustainability reports from Anglo America and Ivanhoe, where the activity of relocating graves impacted production, would have been useful information in the decision-making process.

Avoiding social debt won't absolve developers of the obligations or responsibility to maintain a good relationship with their host communities; in fact, avoiding reparations for historic human rights abuses exacerbates the risks of repairing the relationship with the host community. A causal link exists between affected families using unreconciled grievances to increase financial compensation. This process shifts power to the community, where graves are leveraged to resist mining by increasing reparations and liability (Breytenbach 2021). This is illustrated in how compensation amounts have increased over the years, becoming a key risk factor for investors. Even to the extent that mining licenses are not issued unless a clear impact assessment has been carried out detailing a grave relocation action plan (GRAP) referenced earlier on the Platreef mine. The compensation amounts are not symbolic reparations but to compensate families for the cost of a second funeral (memorial or ritual practices)—nevertheless, the families whose graves are involuntarily relocated trigger grievances over unsettled social debts. Conflict is often triggered over mutually exclusive sovereign claims over the same property. In the context of South Africa, where graves are used as proof of land claims, grave relocations invoke a multifaceted offense and open a deep wound to the past, which is intrinsically part of the daily challenges of the average South African. In the words of Mbembé, “*the demand for justice and reparation is inescapable*” for true democracy to be realized (Mbembé 2019:40).

The example of grave relocations shows the difficulties in determining where and how information should be disclosed and the assessment of sustainability materiality irrespective of whether disclosures relate to what are relevant financial accounts or material to sustainable development. The risk that investors and their agents cannot use the information provided appears high. The risk is that even if the aim were to provide information that is material to sustainable development, pressure to avoid the risk of liabilities and any risks from negative public exposure would reduce disclosure. Much will depend on what is being assured and how it will be assured for users to have confidence in the completeness and consistency of the information, especially consistency in how information is being disclosed under financial and sustainability disclosures.

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