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EMPLOYMENT EQUITY COMPLIANCE: WHAT DESIGNATED EMPLOYERS NEED TO KNOW

South Africa's Employment Equity landscape has entered a new phase following the implementation of the Employment Equity Amendment Act, the 2025 Employment Equity Regulations, and the introduction of sectoral numerical targets.

These developments place greater emphasis on workplace transformation, accountability and measurable progress, directly affecting designated employers' workforce planning, compliance obligations and eligibility for tender opportunities.

This blog outlines the revised Employment Equity requirements and explains what designated employers need to know to remain compliant while positioning their organisations for future growth and procurement opportunities.

Who is a designated employer?

One of the most significant changes introduced by the amended legislation is the revised definition of a designated employer. The annual turnover threshold has been removed. An employer is now generally regarded as a designated employer if it employs 50 or more employees.

Employers with fewer than 50 employees are generally exempt from the affirmative action provisions contained in Chapter 3 of the Employment Equity Act.

However, all employers remain subject to the prohibition of unfair discrimination contained in Chapter 2 of the Act.

Introduction of sectoral numerical targets

A significant development under the amended Employment Equity framework is the introduction of sectoral numerical targets across 18 economic sectors. These targets aim to improve workplace representation by increasing the participation of––

- women
- designated groups
- people with disabilities.

The targets apply across various occupational levels, including––

- top management
- senior management
- professionally qualified employees
- skilled employees.

Designated employers must consider the applicable sectoral numerical targets when developing and implementing their Employment Equity Plans.

Five-year Employment Equity Plans

Designated employers are required to prepare and implement Employment Equity Plans covering the period from 1 September 2025 to 31 August 2030.

Each Employment Equity Plan must include––

- annual numerical targets
- measures to identify and remove barriers to Employment Equity
- strategies to achieve equitable representation
- workforce profile assessment
- an analysis based on national or regional Economically Active Population (EAP) statistics.

An Employment Equity Plan provides a structured framework for achieving the employer's Employment Equity objectives and measuring progress over the five-year period.

Latest development: Draft reviewed Code of Good Practice

On 24 July 2026, the Department of Employment and Labour published the *Draft Reviewed Code of Good Practice on the Preparation and Implementation of Employment Equity Plans* for public comment.Interested parties have 60 days from the date of publication to submit written comments on the Draft Code.

The Draft Code provides designated employers with further guidance on the preparation, implementation and monitoring of their Employment Equity Plans. It addresses consultation processes, workplace and workforce analysis, numerical goals and targets, monitoring measures and reporting requirements.

Although the Draft Code has not yet been finalised and remains subject to the public-comment process, it reinforces a clear message: **Employment Equity compliance must be actively implemented, regularly monitored, and supported by evidence—not merely documented on paper.** Employers should therefore ensure that their plans are supported by practical implementation measures, appropriate records and regular review processes.

Employment Equity Compliance Certificates and tender opportunities

One of the most significant changes affecting employers is the introduction of Employment Equity Compliance Certificates. Employers seeking to conduct business with government departments, municipalities, state-owned entities and other public-sector institutions may be required to obtain a valid Compliance Certificate.

The certificate confirms that an employer meets the prescribed requirements of the Employment Equity Act or has reasonable grounds for not achieving the applicable sectoral numerical targets. *Employment Equity compliance has therefore become an increasingly important consideration for organisations pursuing public-sector tenders and contracts, as well as broader transformation and B-BBEE objectives.*

By managing their Employment Equity responsibilities proactively, employers can strengthen their eligibility for tender opportunities, minimise compliance risks, and demonstrate a meaningful commitment to workplace transformation.

Practical steps for employers

The Department of Employment and Labour has emphasised that sectoral numerical targets should not be interpreted as quotas. Employers are not expected to dismiss employees or make unfair employment decisions merely to achieve the applicable targets.

Instead, organisations should focus on––

- reviewing and updating their Employment Equity Plans against the applicable sectoral numerical targets
- assessing workforce profiles and identifying barriers to equitable representation
- updating relevant workplace policies and procedures
- aligning skills development and succession-planning initiatives with Employment Equity objectives
- regularly monitoring and documenting progress
- maintaining the records required to support an application for an Employment Equity Compliance Certificate, where applicable.

A proactive approach enables employers to address workforce representation challenges, demonstrate measurable progress and maintain compliance with Employment Equity and broader labour legislation.

Take action on Employment Equity Compliance

SERR Synergy’s professional *Skills Development Facilitators (SDFs)* are experienced *Employment Equity specialists* who help employers translate their legal obligations into practical, workable Employment Equity Plans that can be implemented, monitored and supported by evidence.

Our specialists assist with workforce analysis, Employment Equity planning and reporting, compliance monitoring, Employment Equity and Training Committees, anti-discrimination assessments, SETA requirements and Workplace Skills Plan submissions. This integrated approach helps align the Employment Equity Act, the Skills Development Act and the B-BBEE Codes with your organisation’s workforce and transformation objectives.

Whether your organisation is preparing for Employment Equity reporting, seeking an Employment Equity Compliance Certificate or reviewing its transformation strategy, our team can provide the expertise and practical support needed to navigate the process successfully.

Do not wait until the next reporting deadline or tender opportunity to assess your Employment Equity compliance. *Contact us* for the guidance and ongoing support your organisation needs to become and remain compliant.

About the Author: Amore Jacobs joined SERR in 2024 and has been a registered Skills Development Facilitator since 2018. She currently serves as a Specialist Skills Development Facilitator at SERR's Pretoria branch, where she assists clients with Employment Equity and Skills Development compliance.

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