

## Statement by Invest Europe

Brussels 28 February 2025

### Exciting news on EU sustainability and public funding: the Omnibus packages

On February 26th, the European Commission unveiled a series of proposals designed to simplify EU regulations, boost competitiveness, and unlock more investment opportunities.

This set of 'Omnibus' packages tackles a range of issues, focusing on major simplifications in sustainable finance reporting, due diligence, the EU Taxonomy, carbon border adjustments, and European public investment programs in venture capital and growth.

### Sustainability Omnibus: A giant step in the right direction

Invest Europe has long advocated that balancing sustainability with long-term value creation could be done with less red-tape and a clearer focus on really addressing economic, environmental, and social challenges.

We are therefore excited to see the European Commission's bold approach and and fully support the direction of the Sustainability Omnibus package.

The proposal marks a significant move towards reducing unnecessary regulatory burdens, offering more flexibility for portfolio companies. This also benefits private equity and venture capital managers and investors, while maintaining momentum on the needed sustainable growth in Europe.

Key highlights include:

- **Exemptions for smaller companies:** Companies with fewer than 1,000 employees will be exempt from CSRD reporting
- **Simplified financial services rules:** The removal of the review clause for financial services under CSDDD and extended compliance deadlines will ease pressure on businesses
- **Streamlined reporting:** Adjustments to the European Sustainability Reporting Standards (ESRS) will reduce the number of data points required

These changes are a most welcome relief for our members, and Invest Europe will endeavour to defend these changes throughout the coming negotiations with the EU-policy makers, to secure an end result that fits the specificities of our asset class.

## **Investment Omnibus: significant positive changes for VC public funding**

For some time, Invest Europe has voiced deep concerns about the continuation of public funding to venture capital via InvestEU.

The entire venture capital community can now see these concerns being addressed in the new proposal, which has the potential – if agreed by legislators - to unlock billions of euros of additional capital - part of which will be directed at the European Investment Fund for its venture programmes.

Another highlight of the Investment Omnibus is the adjustment to eligibility criteria, allowing companies with more than 250 employees to access EU public funding, even if they do not meet all of the criteria of the SME definition. This is crucial for many start-ups and scale-ups backed by venture capital funds, which often miss out on support due to these restrictive criteria.

Invest Europe will be advocating for similar changes to be made more widely across EU law.

We are calling for a revision of the SME definition, to ensure that any start-up or scale-up funded by private equity and venture capital fund managers are not at a disadvantage compared to other SMEs. We will also be working on the preparation of a 28th regime for innovative companies, that could also help the venture and growth ecosystem, and on further streamlining the conditions of access to EU public funding.