



Joint Press Release – 25 February 2015

Unhappy Meal: €1 Billion in Tax Avoidance on the Menu at McDonald's

Tax structure allowed McDonald's to divert revenue for years, costing European countries over €1 billion in lost taxes between 2009 and 2013.

Today in Brussels, a coalition of European and American trade unions, joined by the anti-poverty campaign group War on Want, unveiled a report about McDonald's deliberate avoidance of over €1 billion in corporate taxes in Europe over the five year period, 2009-2013.

[The report](#) outlines in detail the tax avoidance strategy adopted by McDonald's and its tax impact both throughout Europe and in major markets like France, Italy, Spain and the U.K. The practice essentially consisted of moving the European headquarters from the UK to Switzerland as well as using intra-group royalty payments and channeling them into a tiny Luxembourg based subsidiary with a Swiss branch.

Between 2009 and 2013, the Luxembourg-based structure, which employs 13 people, registered a cumulative revenue of €3,7 billion, on which it reported a meager €16 million in tax.

"It is shameful to see that a multibillion euro company, that pays low wages to its workforce, still seeks to avoid its responsibility to pay its fair share of much needed taxes to finance public services we all rely on. Rather than supersizing profits and minimising taxes, McDonald's should change its recipes to ensure that Corporate Citizenship is at the core of its menu," said EPSU General Secretary **Jan Willem Goudriaan**. *"We call on the European Commission and respective national tax authorities, as well as the European Parliament's newly formed Special Committee on Tax Ruling, to look closely into McDonald's tax practices and take appropriate measures."*

This report is co-authored by EPSU, EFFAT, and SEIU– a coalition of European and American trade unions, representing 15 million workers in different sectors of the economy across almost 40 countries - as well as UK-based campaign group War on Want.

McDonald's has faced widespread criticism in Europe and globally for the low wages and poor working conditions at its restaurants. In the U.K., for example, workers have protested McDonald's practice of "zero-hours contracts", which leaves workers without any guarantee of regular work or stable income. The company's low wages have also been criticized for imposing substantial costs on taxpayers, as many McDonald's workers are forced to rely on public assistance to afford food and rent.

McDonald's is the largest fast food company in Europe, with 7,850 stores and €20.3 billion in systemwide sales in 2013. McDonald's European division accounts for nearly 40 percent of the company's operating income.

Details of the report will be presented to Members of the European Parliament, Commission officials as well as to the European Commission's platform for tax good governance.

More on the report: www.notaxfraud.eu

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About EPSU:

EPSU is the European Federation of Public Service Unions. It is the largest federation of the ETUC and comprises 8 million public service workers from over 265 trade unions; EPSU organises workers in the energy, water and waste sectors, health and social services and local, regional and central government, in all European countries including the EU's Eastern Neighbourhood. EPSU is the recognized regional organization of Public Services International (PSI).

For more information please go to: <http://www.epsu.org>

About SEIU:

The Service Employees International Union (SEIU) unites 2 million diverse members in the United States, Canada and Puerto Rico. SEIU members working in the healthcare industry, public sector and in property services believe in the power of joining together on the job to win higher wages, benefits and create better communities, while fighting for a more just society and an economy that works for all of us, not just corporations and the wealthy.

About EFFAT:

EFFAT is the European Federation of Trade Unions in the Food, Agriculture and Tourism sectors. As a European Trade Union Federation representing 120 national trade unions from 35 European countries, EFFAT defends the interests of more than 2.6 million members towards the European Institutions, European employers' associations and transnational companies.

About War on Want:

War on Want fights poverty in developing countries in partnership with people affected by globalisation. We campaign for human rights and against the root causes of global poverty, inequality and injustice.

War on Want works with some of the bravest and most inspiring groups in the world. In rural communities, in factories and sweatshops, in conflict zones and on the margins of society, we work with people fighting for real, lasting change