

WHY MEALS MIGHT BE THE BEST INVESTMENT FOR EMPLOYEE RETENTION





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THE EMPLOYEE EXPERIENCE REVOLUTION

Today's workforce is looking for something deeper from their employers, an environment that supports their **health, wellbeing, and work-life balance**. As employees battle the rising cost of inflation, transitioning back to in-office work and reducing hybrid or flexible options, employee satisfaction has never been more critical. Retaining and engaging talent isn't just about salaries and traditional perks, it's about creating an environment where employees feel valued, supported, and motivated.

A Workforce Preferences Barometer report from JLL highlights that **work-life balance and health-focused workplaces now outrank salary as the top priorities for employees.**

Similarly, PWC's Future of Work report reveals that

59% of UK employees say that a positive work culture is a major factor in deciding whether to stay at or leave a job.

While work-life balance is top priority for employees, achieving it isn't always easy for every business or industry. For some sectors, demanding schedules, on-site requirements, or operational constraints make it difficult to offer true flexibility. **After work-life balance, food can play a big part in conveying their company cares about employees' health and wellbeing.**

One key solution that is often overlooked but has a profound impact on employee satisfaction and retention is food benefits. Whether it's free meals, subsidised lunches, or smarter food solutions, providing access to quality meals can enhance workplace culture, increase productivity, and show employees they are truly valued.

In this whitepaper, we'll explore why food has become such an essential part of office life and how businesses can implement effective, sustainable meal programs that drive engagement while managing costs.



THE SECRET TO A HAPPIER, MORE CONNECTED WORKFORCE

We see the rise of employee benefits over the past several years, which changed many workplaces for the better. Employees had time to **reevaluate what was most important in life**, and in exchange, they craved a better work-life balance and valued companies that **cared for and supported their mental health and well-being**.

70%
of employees are more likely to stay with a company that offers well-structured benefit packages.

— *Employee Benefits Trend 2024 blog article by Avado*

Many organisations provide a range of benefits, but with a diverse workforce spanning different life stages, a one-size-fits-all approach is challenging. Younger employees may place less value on life insurance or higher pension contributions, while those with young families might not prioritise a gym membership.

The Perk Search Survey (2018) report by Perk Box, discovered millennials showed the strongest preference for career-enhancing perks, such as training and access to learning resources, compared to other age groups. Nearly half (47%) placed these benefits at the top of their priorities.

But one benefit resonates universally: food.

Providing free or subsidised food appeals to everyone, fulfilling both practical and emotional needs. It isn't just about convenience, it's about creating a sense of community, strengthening workplace culture, and enhancing overall well-being.

In the workplace, high-quality onsite meals do more than just satisfy hunger, they save time and money, encourage communal eating among colleagues, promote healthy eating habits, and demonstrate that companies care for their employees. In today's competitive job market, offering appealing food benefits has become a big advantage.

A major aspect of health and well-being is being surrounded by others, and food is one of the simplest and most effective ways to bring people together.

If your company offered free meals at work every day, what would be the top benefit you'd appreciate the most?

Reducing mental load	14 %
Saving money	55 %
Saving time	14 %
Healthier food options	18 %

LinkedIn Survey by Foodles - 2025

"I'm really happy with how it's going, not just from the usage and food ratings but also that it has created a much nicer atmosphere in the kitchen and communal areas where everyone is talking more and enjoying lunch together."

Julie, Facilities Manager, Balfour Beatty, a fellow Foodles advocate from day one



WHY SMART COMPANIES ARE INVESTING IN FREE MEALS

While **securing a comfortable salary is no longer the main contributor of employee satisfaction**, businesses today still face increasing pressure to offer competitive salaries and benefits that attract and retain talent, all while managing rising employment costs. With inflation stretching budgets and pay review cycles typically occurring only once a year, companies must find creative ways to enhance employee satisfaction without significantly increasing payroll expenses.

One effective strategy is **offering perks that employees perceive as more valuable than an equivalent pay increase**, particularly when those perks provide tangible, day-to-day benefits. Food and meal programs, for example, can have a significant impact on well-being and morale while often being more cost-effective than direct salary increases.

According to the UK Government's recent budget announcement, rising National Insurance (NI) costs will further strain employer finances, with employer contributions increasing from

13.8% to 15%

a 1.2% rise in payroll costs starting April 2025. Additionally, the NI contribution threshold will drop from £9,100 to £5,000 per employee, compounding financial pressures on businesses.

As payroll costs rise, **offering non-monetary benefits such as meals could potentially be a complementary solution along side salary increases**, helping businesses support employees while mitigating additional PAYE and NI contributions. **If set up correctly, employers may also benefit from certain tax exemptions, making meal programs an even more efficient way to enhance employee satisfaction.**

For employers, National Insurance and reporting obligations vary based on factors such as the value of meals, where they are provided (on or off company premises), and whether they are covered directly or through employee reimbursement programs. Understanding these nuances can help businesses design a meal benefit program that maximises both employee value and cost efficiency.

CHECK YOUR ELIGIBILITY

You can find more information on the UK government website under 'Expenses and Benefits: Meals for Employees and Directors' here.
<https://www.gov.uk/expenses-benefits-meals-employees-directors>



THE TRUE COST

MEAL BENEFIT

Provided that the meal program is set up correctly, a **weekly meal benefit of £17** for a comparable employee would cost **£884 per employee annually** with **no additional business expense**. They receive **100% of the value**, making it a **more attractive perk** than a salary bump.

The perceived value of meals often holds greater monetary value than an equivalent salary increase. Unlike a pay rise, which is reduced by taxes and deductions, a meal benefit provides **tangible, immediate advantages**—saving employees the **time, effort, and mental** load of meal prep and cooking. This simple gesture can make a big difference in how valued and supported employees feel.

Employers look to seek cost-effective solutions by offering benefits like meals, enhancing employee satisfaction while managing overhead costs—a win-win for both the employer and employee.'

SALARY INCREASE

Employee earning **£25,000** with a **5% salary increase (£1,250)** results in an **actual cost of £1,475** to the business due to added NI and pension contributions.

Total Additional Cost = (Salary Increase) + (Increased NICs) + (Increased Pension Contributions) + (Increased Benefits Costs)

The employee only receives **£900 net**, translating to just **£17.80 extra per week**, which may not feel significant.

Net Pay Increase = (Salary Increase) - (Income Tax on Increase) - (Employee NIC on Increase)



5 STEPS
FOR CHOOSING THE BEST
WORKPLACE
FOOD SOLUTION

BUDGET

01

Consider researching various types of food benefits and/or solutions, and compiling a list that includes all associated costs. Keep in mind the value of your time, some solutions may cost slightly more, but they could save you time that can be better spent on more important tasks.

KEY CONSIDERATIONS:

- What's your meal benefit budget, and is it flexible?
- Will costs be per person, per meal, or company-wide?
- How do provider costs compare, and are there hidden fees?
- Are meal benefits taxable, and how do they affect payroll and compliance?
- Will employees expense meals, or is payment handled directly?
- What additional costs exist beyond food (e.g., delivery, service, equipment)?
- For on-site meals, what are the costs of insurance, equipment, and staffing?
- What's the contingency plan for rising food costs?

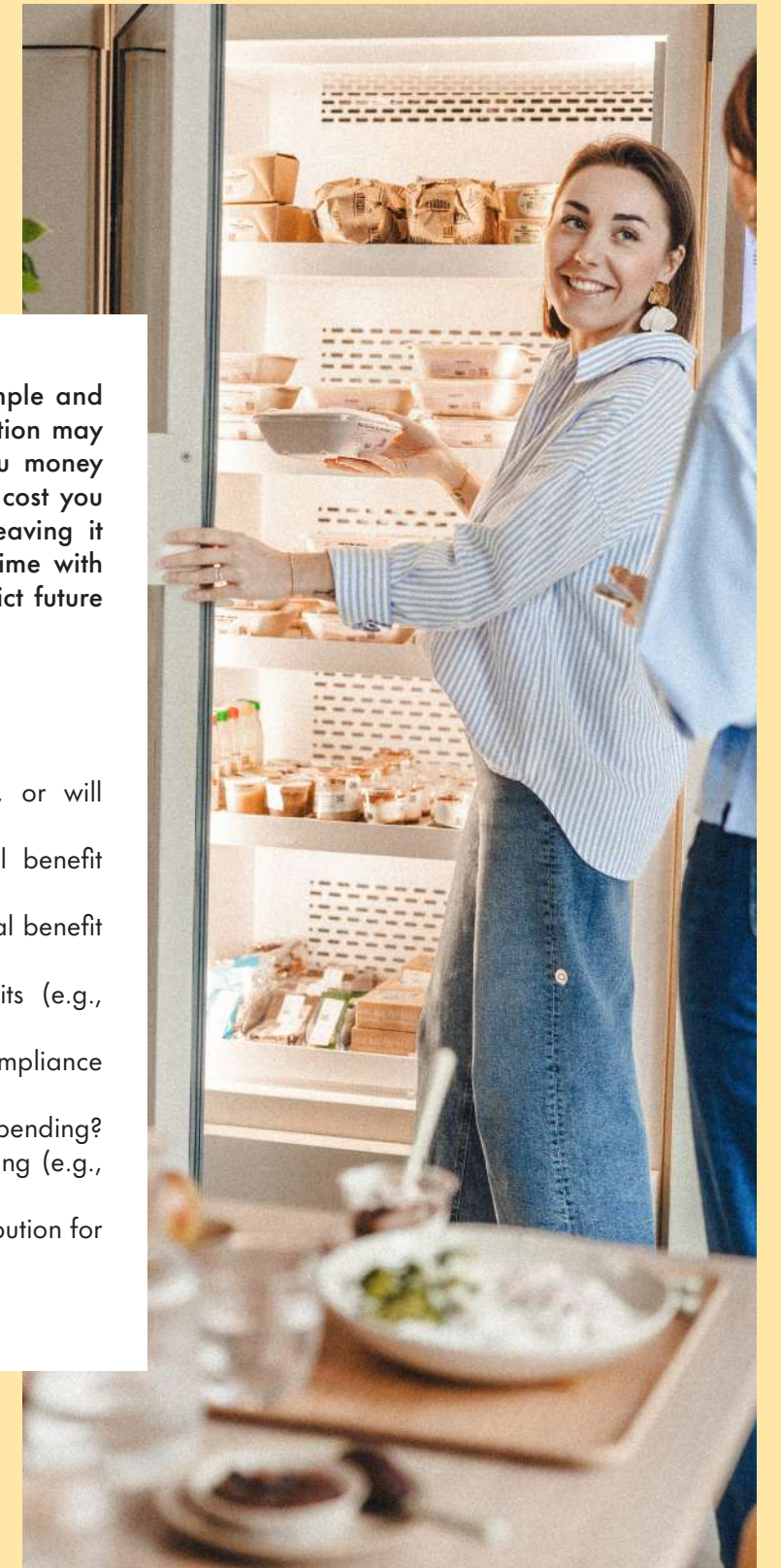


02

Make sure you choose a solution that is simple and easy to be controlled and managed. A solution may cost more at first glance but may save you money in the long run. For example; canteens will cost you the same amount every month, whereas leaving it up to employees expensing meals at any time with any varying cost, can result in hard to predict future spending and budgets.

KEY CONSIDERATIONS:

- Can employees order their own meals, or will someone coordinate?
- Do you have staff to manage the meal benefit program?
- How will you ensure employees follow meal benefit rules?
- What system will enforce spending limits (e.g., allowances, caps, menus)?
- How will meal expenses be tracked for compliance and budgeting?
- What safeguards will prevent abuse or overspending?
- Will you use tech for tracking and reporting (e.g., apps, software)?
- How will you ensure fairness in meal distribution for different shifts?



CONTROL

VARIETY

03

Find a provider that caters to diverse preferences and needs. Deciding what to eat in a group can be challenging, as everyone has different tastes and it's nearly impossible to please everyone. This becomes even harder when options are limited to a fixed menu. A solution with a weekly changing menu could help accommodate varying preferences, making things easier and more enjoyable for everyone.

KEY CONSIDERATIONS:

- How will you ensure meal variety without compromising quality or budget?
- Does the provider update menus regularly to avoid fatigue?
- How are dietary restrictions and food intolerances accommodated?
- Are there enough options for cultural and lifestyle preferences?
- What strategies balance variety, sustainability, and food waste?
- How transparent is the provider about ingredients and nutrition?



04

Ordering the right amount of food is not just a financial consideration, it's also an important aspect of sustainability and corporate responsibility. Employees take pride in working for organisations that align with their values, including environmental consciousness and waste reduction. A 2023 ESG PLC by Hays found that 75% of professionals consider an organisation's commitment to sustainability an important factor when evaluating job opportunities, while 72% of employers recognise that sustainability efforts play a crucial role in attracting top talent.

This is why, beyond ensuring that food is packaged in biodegradable and recyclable containers, minimising waste is equally important. Starting with smaller orders is a smart way to gauge how well the solution and food are received. Based on the data, orders can be adjusted up or down to reduce food waste effectively.

Businesses can further enhance their sustainability efforts by partnering with food waste management services. For example, Foodles collaborates with ReFood to provide greener, safer, and more cost-effective food disposal solutions. By implementing smart ordering strategies and responsible waste management practices, companies can reduce costs, minimise their environmental footprint, and reinforce their commitment to sustainability—while keeping employees satisfied.

KEY CONSIDERATIONS:

- How will you track which employees are in the office?
- Do you have a system to monitor meal popularity and adjust orders?
- Do you aim for zero waste, or allow some food waste?
- Will you order exact meal quantities or allow flexibility?
- How will you track consumption of different meal types?
- How will you manage meals for absent or remote employees?
- What tools will help ensure accurate food orders?
- Can providers adjust meal quantities on short notice?

QUANTITY

FEEDBACK



Whether you survey your staff, or you have tech enabled applications that can gather information for you easily, ensure you listen to your employees and see what they have to say.

KEY CONSIDERATIONS:

- How will employee feedback on meal benefits be collected and tracked?
- Can eNPS surveys measure the program's impact on satisfaction?
- What KPIs will determine the program's success?
- How does the program compare to industry benchmarks?
- How does the new meal program compare to the previous one?
- How will food quality, freshness, and nutrition be assessed?
- How will complaints about the program be handled?

CHOOSING THE RIGHT SOLUTION FOR YOUR BUSINESS

Providing food at work is more than just a perk, it's an investment in employee satisfaction, well-being, and retention. However, implementing an effective meal program requires **careful consideration of budget, control, variety, quantity, and feedback**. Employers must evaluate these factors to ensure their food benefit program aligns with company goals, meets employee needs, and remains financially sustainable. The right solution will depend on a variety of factors, including company size, workforce diversity, office setup, and available resources.

Exploring Food Benefit Solutions

Once businesses have assessed their needs using the key considerations above, they can explore different food benefit options:

ON-SITE CANTEEN/RESTAURANT

Best suited for **large companies** or shared office spaces, an on-site canteen provides a **convenient and communal dining experience**. However, this option requires **significant investment** in food costs, staff, maintenance, and space allocation.

CATERING SERVICES

A great option for **one-off events, special occasions, or hybrid workplaces**.

VENDING MACHINES

A **flexible, low-maintenance** solution for companies of all sizes.

MEAL VOUCHERS & STIPENDS

Allowing employees to purchase meals from local supermarkets, restaurants, or delivery services, this solution provides maximum flexibility.

EXPENSE-BASED MEAL PROGRAMS

Employees can **submit meal receipts for reimbursement**, giving them full control over what they eat. However, this method can be difficult to manage.

FOODLES SMART FRIDGES

combine the benefits of the above solutions, offering a flexible and subsidy-ready option for companies of all sizes. Foodles provide fresh, chef-prepared meals accessible 24/7, encouraging communal dining and social connections in the workplace.

They are equipped with an easy to use app and smart technology algorithm to forecast daily consumption and replenishment needs. Foodles are an excellent fit for businesses without on-site kitchen facilities or those that cannot stay open 24 hours.



SMART VENDING REDEFINING YOUR LUNCH BREAK

At **Foodles**, we've been thinking about this challenge for over a decade. We understand the complexities of fulfilling diverse employee preferences, managing hidden costs, and implementing a seamless solution that supports both employers and employees. Finding the right balance between variety, budget, and convenience can be challenging, which is why **we've developed an innovative, easy-to-use Smart Fridge solution that ticks all the boxes.**

As a certified B Corp, Foodles is committed to sustainability, ethical business practices, and creating positive social impact. Our mission goes beyond simply providing meals, we strive to reduce food waste, promote environmentally responsible sourcing, and deliver high-quality meals that benefit both people and the planet. To ensure minimal wastage, we employ data-driven inventory management, closely monitor consumption patterns, and offer businesses flexible solutions to adjust supply accordingly. We also gather feedback on every order, using real-time insights to refine our offerings and minimize surplus.

Additionally, we help businesses establish the right meal controls, whether that means implementing restrictions or partially or fully subsidising meals, so they can align their food programs with their goals and values while maximizing employee satisfaction.

Whether you're looking to enhance employee well-being, boost engagement, or optimise your workplace food strategy, we're here to help.

Explore our client success stories to see the impact for yourself.

Discover how Little Moons successfully launched their first food program saving time and money while creating a positive workplace experience.

"Employees are thrilled with the variety and quality of the food available. It's convenient and has made a significant difference in their daily routine, especially during busy production times."

Amy Callaghan, Executive Assistant

Similarly, Foodles helped the Mortability Foundation overcome the challenge of providing accessible, nutritious, and affordable meals in a location with limited food options.

"Foodles opened our eyes to the smart fridge, which we felt was the ideal solution to meet our needs. We can now offer our staff a variety of healthy, freshly prepared meals."

Victoria Rowell, Contracts & Administration Lead

**little
moons**
THE MOCHI MAKERS

 **Motability**
The leading car scheme for disabled people



**TAKE A LOOK AT MORE
CASE STUDIES**

Let's start the conversation
email us at write@foodles.co

FOODLES

www.foodles.com