



Client Case Study

Berendsen soften impact of £1m energy tax rise by adopting a sophisticated risk strategy

Our Client

Berendsen plc, is a FTSE-250 company and a leading commercial laundry service provider in Europe. They spend £30m per year on power and gas across Europe and have utilised Beond (formerly known as BuyENERGYonline) for the last ten years to support their energy procurement and risk management requirements in the UK.

Since 2008, Berendsen's UK sites have reduced energy consumption (kWh) by 17% and water usage by 37%, equating to over 1 billion litres of water saved per year and recently they won the Green Impact Award at the first ever Laundry and Dry Cleaning Awards (The LADAs) in the UK.

Our Challenge

Berendsen like other businesses in the UK face strongly rising electricity prices as the cost of low-carbon energy is passed through to customers. We estimate these taxes have risen by £1m per annum in just three years, from £2m in 2013 to £3m in 2016.

BERENDSEN

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**Pushing the
boundaries in
energy design**

The Strategy

The risk management strategy objectives included:

- Exploring the flexible offers available from suppliers in the market
- Conducting risk strategy workshops with key stakeholders to gain the buy-in for a collective risk policy
- Examining risk versus reward for a variety of hedging strategies
- Negotiating flexible supply contracts for electricity and gas
- Monitoring the key market drivers and wholesale market movements
- Managing Berendsen's risk on a daily basis and holding regular budget reviews

The Results

- Following a risk strategy workshop with key stakeholders and advice of Beond's Risk Management Team, Berendsen adopted a more sophisticated hedging strategy for their UK energy portfolio.
- The strategy was continuously monitored and Berendsen and Beond fine-tuned the choice of risk versus expected reward.
- By maintaining this risk policy, Berendsen was able to achieve more than £2½m cost avoidance over 4 years (i.e. £0.6m per year) to help mitigate a £1m per year electricity tax increase.

Testimonial

"Berendsen have worked with Beond's energy consultants for over 10 years. They help our different divisions to buy collaboratively in the wholesale market by estimating our energy risk and making specific recommendations. Our sites are large energy users and they need a trusted consultant to help them manage their costs and be available to solve complex problems if they arise."

Silvia Lopez - Director of Procurement

For further information about any of our services please call Beond on 0208 634 7533 or email info@beondgroup.com

About Beond

With over **500** major energy consumers under our management we have an excellent track record in delivering measurable success.

25

No. of suppliers actively participating in Beond tenders

9

No. of different suppliers currently used by our large flexible clients

2128

No. of live auctions completed in 2015

27

Highest number of bids in 2015 for a competitive auction client procurement tender

25%

Reduction in non-commodity infrastructure costs through demand management strategy

15%

Average potential energy savings identified from ESOS energy audits