

Effect Of the Energy Crisis on Unilever

Posted on November 26, 2024

Company Background

In 1929, British soap manufacturers and Dutch margarine producers merged to form Unilever, a global conglomerate with headquarters in London. The company has over 400 brands and is present in over 190 countries. The company's main divisions are Foods & Beverages, Home Care, and Beauty & Personal Care. Due to its operations, Unilever is committed to enhancing sustainable environmental practices to reduce climate change and pollution. Unilever's ambitious goals to reduce its ecological footprint, collaborate with partners to drive systemic change, and create products that meet consumers' changing needs while minimizing their environmental impact demonstrate the company's commitment to sustainability. Energy crises have the potential to negatively impact Unilever's business operations because of the company's size and global reach. Unilever's energy crisis affects its reputation, finances, and sustainability goals. Thus, Unilever must adopt innovative methods to reduce energy use, boost renewable energy use, and boost energy efficiency.

The scope of the energy crisis

Over the past two years, the worldwide energy crisis has impacted the finances of families and businesses. The World faces energy crisis when energy production stops growing faster than consumption (Ozili,2021). At the time of the 2021–2023 energy crisis examined in this essay, constrained supply and sharply rising wholesale prices disrupted the UK energy market, contributing to supplier failures and unusually high household bills. This passage describes that historical crisis period rather than the current market. These considerations influence the energy dilemma as temperatures decline. The UK energy crisis has affected Unilever. Unilever works in the UK, where the energy crisis is caused by overreliance on natural gas imports to generate electricity (Al Asbahi et al.,2020). Due to decreasing gas output and rising gas imports, natural gas imports are heavily relied on. Additionally, environmental concerns are closing several coal-fired power plants, contributing to the energy crisis. Hence this reduces greenhouse gas emissions but lowers the country's energy capacity. Unilever, a major consumer goods manufacturer, has been affected by the UK energy crisis. The energy crisis has raised production costs and reduced profitability. Unilever's usage of renewable energy and waste reduction has been hampered by the UK energy crisis.

Project Management Portfolio

The worldwide energy crisis has been detrimental to Unilever, a market leader in consumer goods. As a large energy consumer, Unilever must find ways to cut costs without sacrificing customer service

(Chien et al.,2021). As a result, Unilever needs to know how the energy crisis will affect its business. This portfolio aims to examine, from a project management vantage point, how Unilever has fared in the face of the ongoing energy crisis. The analysis will focus mainly on the crisis's effects on the company's operations, supply chain, and creativity. This portfolio only covers the current state of affairs and possible future outcomes (Chien et al.,2021). The objectives are to assess Unilever's exposure to energy-related threats and opportunities and to recommend measures to strengthen the company's ability to weather the current energy crisis. This portfolio only covers the current state of affairs and possible future outcomes.

Effects of Energy Crisis

Singh (2021), argues that one of the major significant problems that Unilever is facing due to energy crisis is the increases in production costs. The significance of energy is not only limited to consumption as it is crucial to production of goods and services thus when there is energy crisis there is increase cost of production. For instance, production could halt if raw materials like oil and natural gas run out due to the energy crisis. Supply chain disruptions and price increases could occur if businesses are forced to source more expensive energy or raw materials. Since Unilever's transportation system is so heavily reliant on energy for transporting goods and workers commuting to and from work, the energy crisis has also caused transportation difficulties. According to Zou (2021) the rising energy cost affects the price of transporting people and products. Hence this could lead to higher consumer pricing as firms and individuals face increased transportation costs. These may translate into increased prices. The government of the United Kingdom has instituted stringent new laws in response to the country's ongoing energy crisis, which necessitates regulatory compliance from businesses. Expenditures rise due to the implementation of compliance regulations, which drives up production costs.

An energy crisis at Unilever might increase nonrenewable energy use and greenhouse gas emissions, causing significant environmental damage. These two variables together could harm the environment (Zimand-Sheiner et al.,2021). An energy crisis at Unilever could harm nature through the increased use of fossil fuels. As a result of the energy crisis, Unilever has been unable to access renewable energy sources such as natural gases, thus leading to the company depending on fossil fuels, which emit higher greenhouse gases, thus leading to climate change and air pollution. Moreover, Unilever heavily relies on transportation to move goods and services from one location to another. As a result of the energy crisis, there is an increase in fuel costs, thus resulting in Unilever seeking alternative means of transport, such as trucks, leading to increased emissions of environmental pollutants. Energy is spent pumping and purifying water as part of Unilever's production processes. Unilever may increase water use to prepare for an energy disaster. The abovementioned incident may increase environmental issues like water shortages, habitat degradation, and pollution.

Moreover, energy crisis results to energy shortage and increased energy costs thus having negative impacts to human beings. Most of human beings mainly depends on energy to carry out their

activities such as transportation, lighting and heating hence during energy crisis they have to reduce their rate of energy consumption and switch to cheaper or less reliable energy sources, affecting their health, education, and lifestyle (Zimand-Sheiner et al.,2021). Energy-dependent communities are more vulnerable to job losses and economic decline. As a result of the energy crisis, there would be a health impact on human beings, especially in developing countries where Unilever is considering investing. Some households use biomass fuels like wood, charcoal, or dung for heating and cooking. Hence this can cause many respiratory and other health problems. Insufficient refrigeration due to electrical shortages can impair food and water quality, causing sickness and malnutrition.

Literature Review: Behaviors and Competencies in Managing Energy Crisis

As one of Unilever's most pressing problems, the energy crisis has presented project managers with significant challenges that require careful deliberation and long-term thinking. Businesses must priorities sustainable practices in their projects to combat resource depletion, climate change, and the need to lower carbon emissions, thus calling for sound competencies and behavior in project management to ensure better management in energy crisis management (Ingram et al.,2023). Leadership is one of the key competence and behaviors that Unilever would require to manage the energy crisis problems. Unilever's leadership have to enhance visionary thinking and have a clear vision of what they want to achieve in the sector, including mitigation techniques for the energy crisis, how to develop renewable energy sources and how to reduce harmful gas emission. Additionally, they have to enhance effective communication with all the stakeholders. Additionally, energy crisis mitigation calls for strategic planning; thus, the leaders must develop a strategic plan to address the energy crisis problems, such as identifying priorities and resource allocations (Ingram et al.,2023). Addressing the energy crisis would not succeed as many individuals cause energy issues; thus, leaders must enhance collaboration and communication competencies. Leaders need to work together with utilities, government entities, and nonprofits. They must also convey sophisticated technical knowledge to audiences who are not technically savvy.

Energy crisis management advocates for sustainability competencies for it to be a success. The global energy dilemma requires multiple approaches. Sustainability skills are essential for energy solutions to meet current energy needs, minimize the environmental effect, and last. Environmental stewardship, social responsibility, and economic viability are essential for energy resource management (Corrales-Estrada et al.,2021). A sustainable project manager could create and implement energy production techniques that reduce the environmental effect. These measures may involve using renewable energy or energy-efficient technology. They could also reduce the social impact of energy projects by involving local communities in decision-making and ensuring that the project benefits the community, such as job creation or electricity access. They might do this by including local communities in decision-making (Corrales-Estrada et al.,2021). Sustainability abilities also assist energy projects in becoming economically viable. Energy projects must be profitable and

generate a return on investment because energy costs are expected to rise. A sustainable project manager can find cost reductions and efficiency gains while considering the project's long-term economic impact. The manager would have sustainability skills.

The management of energy crisis management involves a lot of risks such as economic and political which if are not well managed it would be difficult to control and manage energy crisis hence advocating for companies to embrace risk management competencies. Mitigating an energy crisis has a wide range of risks, such as technical, political, and financial risks; thus, it is essential that Unilever Plc enhance effective risk management techniques that would help ensure that energy crisis management projects are completed within the set time frame (Corrales-Estrada et al.,2021). Risk management competencies would help identify and assess risks linked to energy crisis management projects, thus developing techniques that would help mitigate such risks. Additionally, risk management competencies would help leaders in developing risk management plans (El Amri et al.,2020). With risk management competencies, project managers can create risk management plans to address dangers. These plans often contain risk mitigation, contingency, and monitoring and control measures. Energy crisis management projects must meet many legal and regulatory requirements. Project managers may identify and minimize compliance risks through risk management skills, ensuring compliance with laws and regulations.

Energy crisis management also calls for diversity competencies. Energy crisis management is difficult and requires many players. Diversity competencies help energy crisis managers communicate with other groups and navigate the complex social, economic, and political factors that affect energy use and availability (Ingram et al.,2023). Diversity competencies help energy crisis managers succeed. Engaging with various communities and stakeholders is one of the most crucial components of energy crisis management and requires diverse skills. In an energy crisis, tough decisions must be made that affect many people. Identifying blackout areas is an example. One must understand and interact with a variety of populations, including people from different socio-economic, linguistic, and cultural origins, to manage a crisis. this is necessary to meet these groups' requirements. Diversity competencies in energy crisis management should also promote energy resource equality (Ingram et al.,2023). Energy crises worsen inequalities by disproportionately affecting poor areas. One must understand these dynamics and be able to find solutions that meet the requirements of all groups, even those previously excluded from energy resources, to handle a crisis.

The economic growth and development of the country mainly depend on energy. However, rising energy consumption and depletion of nonrenewable energy sources have caused an energy crisis in many nations. Good project management and a project orientation is needed for energy crisis management (De Groot et al.,2020). Project management involves using information, skills, tools, and strategies to achieve project goals. It involves project planning, execution, monitoring, and completion. Energy crises require efficient project management to accomplish energy projects on time, under budget, and to the required standards. "Project orientation" is the ability to see tasks as projects. It involves defining project objectives, scope, milestones, and success factors. Project-oriented strategies ensure that energy initiatives support business goals and energy sector

sustainability (De Groot et al.,2020).

A project manager with an eye for detail and the chops to do the job would be invaluable in harnessing renewable energy. Additionally, the two skills help manage energy infrastructure and improve energy efficiency in conversations. Planning, designing, building, and maintaining an energy infrastructure require competent project management. Skills in project direction ensure that energy infrastructure projects contribute to the long-term viability of the energy industry and align with the company's strategic objectives. Therefore, this is helpful for energy infrastructure projects.

How Unilever can use sustainable development to Solve the energy crisis

Baragiola& Mauri (2022) opines that Nations, organizations, and people can use the UN Sustainable Development Goals (SDGs) to work toward a more sustainable future. The SDGs address poverty, inequality, climate change, and energy availability. To address the prevailing energy crisis issues, Unilever may employ SDG 13, SDG 9, SDG 15, SDG 12, and SDG 17. Unilever may embrace climate action as a technique to solve energy. Goal 13 of the Sustainable Development Agenda allows Unilever to invest in hydropower and solar energy, decreasing the company's reliance on fossil fuels (Farghali et al.,2023). Unilever cannot lessen its carbon footprint and aid in the transition to a low-carbon economy due to its reduced reliance on fossil fuels. To reduce high energy usage and save energy expenses, Unilever would install and execute energy efficiency methods, such as HAV systems and equipment.

Moreover, through SDG 13, Unilever would be able to promote and support sustainable transportation for both employees, suppliers, and the movement of goods and services, hence reducing the emissions of greenhouses gas that occurs as a result of transportation contributes to the health and clean environment (Montiel et al.,2021). Unilever's activism and collaboration can improve climate change and sustainable development. Campaigning for renewable energy and clean technology regulations can help. It can also involve working with other companies and NGOs to cut emissions and promote sustainability.

In addition to SDG 13, Unilever may consider using SDG 9 to solve the energy crisis by building resilient infrastructure, promoting inclusive and enhancing sustainable industrialization, and fostering innovation (Satterthwaite et al.,2020). By adopting energy-efficient technologies and reducing waste, Unilever would be able to promote an energy-efficient industrial system. This reduces energy use and greenhouse gas emissions, making output greener. Smart grids, renewable energy storage, and electric vehicle charging stations are all viable options for Unilever to pursue. The company's impact on the planet may be reduced if these funds are used (Ritz,2021). Possible use in making energy systems more robust against shocks. Unilever might contribute to the development of renewable energy technologies in some ways. These include investing in R&D, sponsoring renewable energy businesses and incubators, and partnering with academic institutions and research centers. This may

accelerate the transition to a low-carbon economy. Unilever supports resilient and sustainable infrastructure, renewable energy, and universal access to power by focusing on Sustainable Development Goal 9.

Moreover, Unilever can embrace SDG 12 to ensure it enhances consumption and production patterns. By implementing circular economy practices such as reducing waste, embracing recycling, and repurposing materials, Unilever would reduce the emission of harmful gases and the energy used to produce new products. According to Satterthwaite et al. (2020), fostering sustainable energy consumption by educating society and consumers on the benefits of embracing energy-efficient products and encouraging them to use renewable energy sources and sustainable lifestyle choices would help reduce the energy demand. Additionally, the company may consider working with suppliers to reduce the emission of greenhouse gases through promoting efficient energy practices, which helps reduce carbon footprint and enhance a sustainable energy system. Based on Satterthwaite et al. (2020) promoting a sustainable production system helps reduce energy consumption, thus helping in reducing energy wastage. If Unilever focused on embracing SDG 12, it would be able to enhance and promote sustainable energy consumption and reduce the emission of greenhouse gases, which all focus on controlling and finding a solution for the energy crisis.

To alleviate the energy crisis, Unilever may leverage SDG 17, which mainly entails partnership and collaboration goals. It would be difficult for companies fighting against the energy crisis alone; thus, getting into partnerships and collaboration with government bodies, NGOs, and civic society would help build a sustainable energy system (Shtunder, et al.,2022). Unilever may consider engaging in collaborations and partnerships supporting renewable energy legislation. Unilever can also invest in renewable energy and energy-efficient processes and technology. Solar, wind, and hydropower can help Unilever reduce its non-renewable energy consumption. Hence this will help the company contribute to sustainability.

Conclusion and Recommendation

The United Kingdom has been heard for the energy crisis as a result of heavy reliance on imported natural gas, environmental concerns, and declining gas output, thus resulting in negative impacts on both businesses and homes. Some of the dilemma's causes includes the following. Due to the prolonged oil crisis, consumer goods giant Unilever has suffered significant losses. The company's production expenses have climbed, but its profits have plummeted. Due to the energy crisis, supply disruptions, industrial issues, manufacturing cost increases, transportation issues, and environmental concerns have arisen. In addition, production prices have increased to meet regulatory agency requirements, which could harm society and the environment. This project management portfolio investigates Unilever's exposure to energy concerns and possibilities and recommends actions to increase the company's ability to weather the present energy crisis. Unilever must find ways to save costs without reducing service quality, so this is crucial.

If Unilever concentrates on a few SDGs, it can leverage sustainable development to help solve the energy crisis. Unilever can significantly reduce its carbon footprint and contribute to a more sustainable energy system by investing in renewable energy, promoting energy efficiency, building resilient infrastructure, fostering innovation, promoting circular economy practices, educating consumers on sustainable consumption, and partnering with other organizations to achieve sustainable development. Unilever's dedication to sustainability may boost its reputation and attract environmentally conscious customers. Therefore, Unilever should emphasize the Sustainable Development Goals in its actions to battle the energy problem and promote sustainable development.

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