



SDG 6, clean water and sanitation:

‘The Factory That Ran Out of Water’ – Water Resource Crisis and the Responsibility of the AquaTech Company

AquaTech is a large manufacturing company operating in the household chemicals and cosmetics industry. The plant is located on the outskirts of the medium-sized town of Brzezino, with a population of approximately 120,000 inhabitants. For many years, the company has been one of the most important employers in the region, employing more than 900 people. It has also been one of the largest local taxpayers and an important partner of the local government in sponsoring social, sports, and educational events.

Production at the plant required significant amounts of water. Water was used not only as an ingredient in some products but also for cleaning production lines, cooling equipment, and for maintaining appropriate sanitary standards. For a long time, the company’s operating model did not raise any major controversy. The plant operated legally, held all the necessary environmental permits, and regularly submitted compliance reports.

The situation began to change when, over several consecutive years, the region experienced periods of drought, and local media increasingly addressed the issue of declining groundwater levels. A problem that had previously been perceived as environmental and distant began to affect the everyday lives of residents.

During the summer months, residents of several neighbourhoods in Brzezino began reporting drops in water pressure, and during peak usage hours, there were even short-term interruptions in water supply. The situation was particularly difficult in the higher-lying districts, where the water supply infrastructure had long required modernisation.

At the same time, local farmers warned that the water levels in their wells were steadily declining, and some small farms were forced to limit crop irrigation. On social media, posts began to appear suggesting that AquaTech was responsible for the worsening situation because, in the residents’ view, it was ‘using thousands of litres of water every day while ordinary people are struggling to meet their basic needs’.

At first, the company’s management did not respond decisively. They adopted a strategy of formal correctness, emphasising that the enterprise was operating in accordance with the law, was not exceeding the established limits, and was not responsible for the condition of the



municipal infrastructure or the local government's water policy. Although this position was logical from a legal standpoint, it was increasingly poorly received by the public.

The turning point came with a report broadcast by regional television. Journalists juxtaposed two images: on the one hand, residents standing in line for bottled water at a store during a network failure; on the other, footage of the large AquaTech factory operating continuously around the clock. The report did not present conclusive evidence that the company itself had caused the problem, but the narrative was highly suggestive.

After the broadcast:

- an online campaign calling for a boycott of the company's products was launched,
- local activists organised a protest in front of the plant's gates,
- some city councillors demanded a public review of the company's water consumption,
- investors began asking the management about reputational risk and possible financial consequences,
- nationwide media became interested in the case as an example of conflict between business and the local community.

The company found itself in a difficult situation. From a formal point of view, no violation of the law had yet been proven. From the perspective of public opinion, however, it had become a symbol of unequal access to resources and an example of a company that uses local resources without taking responsibility for the social consequences.

An extraordinary board meeting was held at AquaTech's headquarters. It was attended by the CEO, Chief Operating Officer, Chief Financial Officer, Director of Sustainability, Production Manager, Head of Legal, and Communications Director.

During the meeting, three different approaches to the crisis emerged.

The first approach, represented mainly by the legal department and some members of the finance team, assumed that the company should limit itself to defending its position. It was argued that yielding to public pressure would create a dangerous precedent. Since the enterprise was operating in compliance with the applicable regulations, it should not assume responsibility for systemic problems for which the local government and the water utility operator were responsible.

The second approach, presented by the communications department and part of the management team, suggested that the crisis had ceased to be a legal problem and had become a problem of trust. Even if the company was not breaking the law, it still had much to lose: customers, business partners, its reputation as an employer, and, in the longer term, its competitive advantage.



The third approach, associated with the sustainability department, went even further. It assumed that the situation was a signal that a profound change in the company's operating model was necessary. According to this concept, AquaTech should not only improve its communication but also genuinely reduce its water footprint, implement closed-loop systems in some processes, and enter into a partnership with the city to support local water security.

To support further decision-making, the management board commissioned an internal audit. The results were inconclusive.

The audit showed that:

- the company was operating within its formally granted water withdrawal limits,
- over five years, production had increased by 28%, while water consumption had risen by 17%,
- in some technological processes, water use could be reduced by as much as 20–25% after equipment modernisation,
- approximately 14% of the water used by the plant could be recovered and reused after appropriate treatment,
- the company did not have a comprehensive water risk management plan,
- communication with the local community was sporadic and reactive rather than dialogic,
- the company had not conducted a broader analysis of the impact of its operations on local water security.

The audit did not confirm that AquaTech alone had caused the city's water crisis. However, it showed that the company had been operating according to a logic of minimal regulatory compliance rather than one of responsible management of shared resources.

The management board was faced with choosing one of three possible paths:

- **Scenario A: Formal defence.** The company publishes a statement, presents data on its lawful water withdrawal, and refuses to make further concessions. This option minimises the short-term costs, but it may deepen the social conflict and prolong the reputational crisis.
- **Scenario B: Symbolic actions.** The company announces an educational campaign, provides the city with funds to purchase water for the most vulnerable residents, and launches a PR program highlighting its social engagement. This solution may improve the company's image, but if it is not supported by real operational changes, it will quickly be seen as superficial.



- **Scenario C: Transformation of the water management model.** The company decides to invest in water-saving technologies, introduces an external audit, publishes a water consumption report, creates a forum for dialogue with the city and residents, and co-finances a local water retention project. This option is the most expensive, but it offers the greatest chance of rebuilding trust in a lasting way and reducing future risk.

While the management board was analysing possible solutions, another event occurred: one of the environmental organisations published information that AquaTech was planning to expand the plant and launch a new production line. Although the project was still at an early stage, the news sparked public outrage. In the eyes of the residents, the company wanted to increase the scale of its operations at precisely a time when the region was experiencing growing water stress.

The company's employees also began to feel the tension. Some defended their employer, pointing out that the plant provided livelihoods for hundreds of families. Others feared that the conflict would lead to reduced production, layoffs, or a lasting deterioration in the reputation of the brand with which they were professionally associated.

In a short time, the water crisis ceased to be solely an environmental issue. It became a matter of corporate strategy, stakeholder relations, social licence to operate, and responsibility for shared resources.

Questions

1. What mistakes did AquaTech's management make in the initial phase of the crisis?
2. Is the legal use of water resources a sufficient justification for the company's position? Justify your answer.
3. Which of the three scenarios should the management board choose, and why?
4. What interests of the different stakeholder groups are in conflict in this case?
5. What specific operational and communication measures should the company implement in order to rebuild public trust?
6. In what way does the AquaTech case demonstrate the importance of corporate responsibility in achieving SDG 6 of the 2030 Agenda?



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SDGs in HE

