

BE Consulting

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Topic Title: Ethical Trade-Offs in Hyper-Scale E-Commerce Platforms

Audience: Board of Directors, E-Commerce companies

Sustainable Development Goal

SDG #9: Promote inclusive and sustainable industrialisation, foster innovation and build resilient infrastructure;

SDG #12: Ensure sustainable consumption and production patterns

Executive Summary

Hyper-scale e-commerce platforms from Amazon and Shein globally to Zepto and Blinkit in India have fundamentally restructured trade infrastructure while generating ethical contradictions that directly undermine SDG 9 and SDG 12. Amazon's internal Project Soteria linked algorithmic speed quotas to rising worker injury rates, findings the company suppressed; a U.S. Senate investigation confirmed widespread recordkeeping violations during peak periods. Shein's AI-powered system produces up to 10,000 new garments daily, with Seoul authorities detecting phthalates at 428 times the legal limit in tested products. Shein and Temu together ship an estimated 600,000 packages daily to the U.S. under a de minimis customs loophole that bypasses forced labour screening, a model scoring 20 and 0, respectively, on the 2024 Ethical Fashion Report's 100-point scale. In India, quick commerce platforms have placed over 25% of kirana stores at risk of closure by 2030, while gig delivery workers striking during 43°C heatwaves in Varanasi were blocked from platforms in retaliation. These cases expose a systemic pattern: the scale and innovation that SDG 9 envisions for inclusive infrastructure are being deployed to externalise costs onto workers, consumers, and ecosystems.

BE Consulting recommends a three-tier response framework rooted in SDG alignment. First, platforms must be held to mandatory supply chain transparency and living-wage protections for gig workers, mirroring the EU's Corporate Sustainability Due Diligence Directive. Second, regulatory arbitrage mechanisms like the de minimis loophole must be reformed so that platform scale does not confer immunity from labour and environmental law. Third, circular infrastructure models should be incentivised as demonstrated by the Mumbai Dabbawala network, which delivers 200,000 lunchboxes daily with Six Sigma accuracy, zero packaging waste, a reverse logistics loop, and a cooperative worker-ownership model that predates the gig economy entirely. India's Open Network for Digital Commerce (ONDC) offers a parallel policy blueprint: decentralised digital infrastructure designed to distribute value rather than concentrate it. The central argument of this presentation is that hyper-scale e-commerce, as currently architected, trades long-term sustainability for short-term efficiency and that achieving SDG 9 and SDG 12 requires not greener operations alone, but a fundamental rethinking of the incentive structures that govern scale.