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THE ROLE OF ESG IN E-COMMERCE START-UPS SMES: FOR SUSTAINABLE INCLUSIVE ECONOMY

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ABSTRACT
Purpose: *The rapid acceleration of technology AI/ML, Climate Change, Urbanisation, population growth and the new wave of Start-up women entrepreneurs with Government of India initiatives driving the E-commerce market and giving importance to ESG(Environment, Social, Governance). The government support the Union Budget2022 to create sustainability for Economic growth and Digital India, The Made in India movement thrived through digitalisation and penetrated the Internet, Smart phones, GST Support, the Consumer Protection Act 2019, the Code on Social Security 2020 consumer Protection(E-Commerce)Rules 2020, Information Technology Act 2000, The Plastic Waste Management Amendment Rules, 2021, the NITI Aayog SDG India Index and Technology infrastructure to E-commerce Start-ups in providing an innovative product that delivers value to the consumer along with the growth of Micro, Small and Medium business in tier 4 and 5 cites. India's E-commerce market is predicted to expand at a 19% CAGR from $46.2 Billion in 2020 to $111.4 Billion by 2025. The Security and Exchange Board of India(SEBI) has introduced the Business Responsibility and Sustainability Report 2021(BRSR) for listing E-Commerce start-ups and Financial sector have formulated ESG based model keeping BRSR and also BSE and NSE have dedicated platform for SMEs start-ups trading platform and the ESG in SMEs E-commerce Start-ups adopting Employee wellbeing Zero level emission delivery strategies by Eclectic vehicles, Packaging, and recycling to promote Green E-Commerce, Payment, B2C D2C, B2G, B2B, inventory management, Investors returns on investment, providing opportunities for females, Skill sets on emerging technologies AI/ML, IoT, Crowd funding and IGBC Green Logistics Parks and warehouses Rating system to assess the Green Logistics and green warehouse to make India to achieve SDG and to push them to push India rank from 120 to Top Rank on the 17 Sustainable Development Goals(SDGs) as a part of 2030 United Nations Agenda to make a direct impact on People, Planet, Profit, Provide employment and to bring SMEs bring inclusive economic and social growth of India.*
Design/methodology/approach*: The Research paper data related to ESG of E-Commerce start-ups for Sustainability. Both Conceptual and Empirical studies are based on a Case study of Listed E-Commerce firms and startup SMEs in India.*
Social implications *– The Research aims to create awareness about the E-Commerce startups preferring to fulfill the SDGs for Sustainability and Social Economic inclusion.*
Research implication/ Limitation: *This Research focuses on the knowledge Gap in academia, this title brings more awareness to e-commerce reporting.*

Keywords: *ESG, E-Commerce, start-ups, Business Responsibility and Sustainability Report 2021(BRSR), Sustainable Development Goals(SDGs), E-Commerce Models, The Security and Exchange Board of India(SEBI), GST rules.*

1. INTRODUCTION:

Fintech start-up innovation changes the E-Commerce Ecosystem and provides opportunities for the inclusive and entrepreneurial environment in tier 2,3,4,5 cities and rural areas along with the government incites programmers like Digital India, Skill India, start-up, Made in India, Ease doing Business, UPI,CO-WIN,AADHAAR, ONDC and regulatory in funding to bring more sustainability by adopting Environment-Social- Governance(ESG) was first coined in 2005 through the initiated by United Nations, titled *Who Cares Wins* (Srinath Sridharan 2022)[1],ESG refers to measuring sustainability and societal impact of an investment in a company and also first mention in the 2006 UNs Principles for Responsible Investment(PRI) report. The current conditions best suited for responsible investors for integrating ESG, sustainability and climate change considerations into their credit and investment fund decisions, due to digital public infrastructure (DPI) ESG norms require enterprises to be socially responsible businesses and align their wealth and value-creation activities with the interests of the larger group stakeholders, i.e. the employees, the environment, and society at large. SEBI, the Indian Capital markets watchdog, recently came out with a circular on Business Responsibility and Sustainability Reporting by listed entities. However; it applies only to the top 1000 listed companies by market capitalization. This is a paradigm shift from the erstwhile Business Responsibility Reporting (BRR) regime to the Business Responsibility and Sustainability Report (BRSR) reporting regime. Venture Capital funds and private equity firms have to initiate ESG metrics for employee engagement, greenhouse gas emissions, renewable energy, board diversity, work-related injuries, consumers and more focus on scaling startups and generating strong returns, VC firms have been slow to adopt ESG processes in making investments as efforts to achieve the UN Sustainable Development Goal, the startup ecosystem in the area of climate change, electric vehicles, agritech. The term sustainable development first came to light in the year 1987 report titled "Our Common Future" published by the United Nations World Commission on Environment and Development. SDGs are a global plan of action for People, the Planet, Prosperity Peace and Partnerships, Sustainable initiatives will have a huge impact on our Society. Startup Unicorns and Soonicorns have pushed ESG adoption in Ethical Governance, Employee welfare, Supply Chain Management, Social Responsibility, Climate Change and Consumer data for more sustainability and profitability. ESG goals help raise financing at a more favorable valuation. (Soans, F. et al. (2022)[2] .The e-commerce platform provides consumer products, quick, convenient, competitive, feedback, and reliable, so sustainability and promoting their value through ESG activities(Kim, J. et al.(2021)[3] E-commerce segments vary from Business –to business,(B2B),direct –to- consumer(D2C) and Consumer –to –Consumer(C2C) (Ahi, A. A.et al.(2023) [3] as per IBEF report overall e-commerce market expected to reach US$350 billion by 2030 in the year 2022 it reached US$74.8 billion, it provides a platform to sell each other and government of India initiatives to support e-commerce. The Venture Capital and Private Equity ESG Sustainable Investment in the form of seed stage, Early stage, Late or Growth stage have been emerging in India to accelerate ESG adoption, In addition, BRSR, and SEBI have proposed several ESG rules regarding disclosures by ESG Funds in India as per report prepared by Bain & Company 7.9 billion come through the ESG route in 2022.ESG Investing can also be called Sustainable investing in firms that adopt ethicalpractices tomake profits from the financial year 2022-2023 the top 1000 listed companies in India will need to prepare a 'business responsibility and sustainability report containing detailed ESG disclosures.

2. REVIEW OF LITERATURE:

Basavaraja Eliganur, B Ravi *"A Descriptive Study On Government Schemes For Startup Initiatives In India"* This research paper delves into an in-depth examination of the government schemes geared towards fostering startup initiatives in India. The primary goal of this study is to conduct a thorough analysis and documentation of the diverse array of schemes and initiatives that have been implemented by the Indian government to bolster and advance startups within the country. The paper meticulously scrutinizes various aspects of these schemes, including their key features, eligibility criteria, benefits, and the challenges they may pose. Additionally, it undertakes an evaluation of the impact that these government initiatives have had on the startup ecosystem. It further provides recommendations for potential enhancements and improvements in these schemes. To substantiate its findings, this study draws upon a wide-ranging review of pertinent literature, official government documents, and pertinent case studies, especially those of successful startups. This comprehensive approach strengthens the validity and reliability of the research's conclusions. Ultimately, the research yields valuable insights into the pivotal role played by the government in nurturing entrepreneurship and fostering the organic growth of startups within the Indian context. This is particularly significant in the larger narrative of economic development and innovation within the country.

Nitish Singh, Surender Munjal, Sumit Kundu, K Rangarajan, “Platform-Based Internationalization of Smaller Firms: The Role of Government Policy”. This study examines the impact of government policies on the platform-based internationalization of small and micro enterprises (SMEs), particularly in the context of e-commerce platforms. Governments are becoming aware of anti-competitive issues related to e-commerce platforms and are working on policies to create a fairer environment for small platform sellers. Additionally, there are efforts to reduce barriers to internationalization through e-commerce platforms. The study focuses on Indian Government policies and uses case studies to gain detailed insights. It assesses how these policies have helped SMEs overcome barriers to export and expand internationally using e-commerce platforms. The findings offer valuable policy implications and suggest directions for future empirical research.

Mahesh K. M., et al. (2022) ONDC E-commerce serves as a tool to democratize and foster inclusive growth by bringing together smaller local businesses, apps, social media platforms, payment systems, logistics, large tech e-commerce firms, and SMEs under one umbrella. Data indicates that e-commerce start-ups have secured VC and PE funding to support technology adoption, BNLP, B2B, and open network technology, creating significant opportunities fueled by the Digital India revolution.

Vikas Kumar, Pooja Nanda, “Determinants of the success of MSMEs in India: a policy vs. technology perspective”, The paper examines the development of Micro, Small, and Medium Enterprises (MSMEs) in India, considering the dual lenses of technology and policy. It emphasizes the diverse nature of the Indian MSME sector in terms of size, product variety, service areas, and technology adoption. The MSME sector contributes significantly to industrial growth in rural and underprivileged areas, thereby reducing regional disparities and facilitating a more equitable distribution of national revenue and capital. The study identifies key technological factors, including the internet, e-commerce, mobile communication, online payment systems, computer-aided designing, and social media, as pivotal determinants for the success of MSMEs.

Additionally, it highlights the influence of various government schemes and initiatives on specific categories of MSMEs, underlining the critical role of policy in driving their development.

CA Fenil Shah, CDME Jokhi, “A Study on the Effect of Government Policies On Startups” This study delves into the influence of government policies on the startup ecosystem, particularly in India. It highlights the introduction of various policies and initiatives such as Startup India, the Fund of Funds for Startups, and the Atal Innovation Mission. These measures have streamlined regulatory processes, provided tax incentives, and facilitated funding accessibility for startups. Despite these positive steps, challenges persist, including bureaucratic hurdles, limited access to capital, and infrastructure deficiencies in certain regions. Recent shifts in e-commerce and data localization policies have also impacted startups reliant on online marketplaces. The research primarily focuses on how these government policies shape the performance of startups.

Jyoti, B., & Singh, A. K. “Characteristics and determinants of new start-ups in Gujarat, India”, The study focuses on start-ups in Gujarat, India, analyzing their characteristics and determinants. It examines how socio-economic factors influence the size of start-ups and identifies key determinants affecting their annual sales. The research is based on a survey of 120 founders and employs regression models for analysis. The crucial determinants of start-up size in Gujarat include the stage of start-up, founder participation in conferences, educational qualifications, product launches, professional connections, funding sources, and support from incubators/accelerators. Factors positively associated with annual sales include start-up stage, mentor support, team composition, founder's academic background, collaborations with organizations, and employment of unskilled workers. The study suggests several implications for fostering a conducive start-up ecosystem, such as technology transfer, product development, supportive government regulations, financial backing, and transparent policies. It also highlights the importance of high-tech start-ups, digital infrastructure, increased R&D spending, and collaboration between research institutions and entrepreneurs for sustainable development in India. While the study provides valuable insights, it acknowledges limitations due to its small sample size. Further research with a larger sample size is recommended to gain a more comprehensive understanding of the factors influencing start-up success in India

Sanjay Kumar Mangla, Jill Atieno Juma, Ujjwal Kumar, Jeetali Agnani, "E-Commerce in the Context of Trade, Competition and Consumer Protection in India" This analysis highlights the transformative impact of E-Commerce on the global business landscape, emphasizing its role in contributing to globalization and influencing trade dynamics. Developing countries, including India, have recognized E-Commerce as a catalyst for achieving socio-economic development goals through trade. India, recognizing the substantial potential for growth in its E-Commerce sector, has taken significant steps, including formulating a national E-Commerce policy and actively engaging in discussions at both national and international levels. This is evident from India's efforts, such as hosting a mini-ministerial meeting in March 2018, which included discussions on E-Commerce with representatives from 40 World Trade Organization (WTO) Member Countries. This indicates a growing commitment from the Indian government towards this critical sector.

Nade, P. B. (2021) "Creating an enabling environment for youth small and medium enterprise startups: a comparative study of Tanzania and India" This paper conducts a comparative study of the enabling environment for youth Small and Medium Enterprise (SME) startups in India and Tanzania. The SME sector plays a crucial role in youth employment and national GDP contributions worldwide. The analysis reveals three critical differences between the two countries: financial support, training support, and material support. India offers various grants, and free and low-interest rate schemes, while Tanzania lags in this regard. India also integrates training with financial schemes, a component lacking in Tanzania. Additionally, India provides non-financial support like machinery, workshop attendance, and accommodation for small businesses, which is not as prevalent in Tanzania. While Tanzania offers some material support, it still charges SME owners rent, akin to established SMEs. In conclusion, India's SME startup environment is more favourable compared to Tanzania's. Tanzania could benefit from adopting lessons from India to enhance its enabling environment for youth SME startups

Madhusoodanan M.S., & Datta, "A Role of Environmental, Social, and Governance (ESG) in achieving the UN Sustainable Development Goals (SDGs): A special focus on India" This review article explores the relationship between Environmental, Social, and Governance (ESG) factors and their impact on achieving Sustainable Development Goals (SDGs). With growing environmental concerns influencing investment decisions, the UN's Agenda 2030, consisting of

17 SDGs, 169 targets, and 261 indicators, plays a crucial role in global sustainable development efforts. Integrating ESG considerations into business strategies and reporting, such as India's Business Responsibility and Sustainability Report (BRSR) initiative, is pivotal for attaining national SDGs. The article identifies 40 pertinent ESG indicators that align with SDG performance. Embracing ESG standards and incorporating sustainability reporting not only provides a competitive edge but also enhances the effectiveness of SDG attainment for stakeholders and investors.

Nguyen, T. D. M., Mondal, S. R., & Das, S., "Digital Entrepreneurial Transformation (DET) Powered by New Normal Sustainable Developmental Goals (n-SDGs): Elixir for Growth of Country's Economy" The article emphasizes the importance of Digital Entrepreneurial Transformation (DET) in the current context, especially in light of the challenges posed by the COVID-19 pandemic. Enterprises need to surpass their pre-pandemic strategies to remain competitive and sustainable. Data sharing and tracking platforms play a crucial role in achieving the New Normal Sustainable Development Goals (n-SDGs) and driving technological advancement. Transparency and ethical practices are now essential for customer trust and protection. Enterprises can enhance resilience and prosperity through digital transformation. The pandemic has highlighted risks across different sectors, necessitating measures to outperform benchmarks in social, environmental, and technological indices. Environmental concerns, particularly regarding biological waste, underscore the need for sustainable practices and technology leadership in digital transformation. The chapter aims to outline post-pandemic sustainable developmental goals for enterprises undergoing digital transformation.

2.1 RESEARCH GAP

The application of Environmental, Social, and Governance (ESG) principles in e-commerce start-ups and SMEs is a relatively unexplored area. Most existing research focuses on large corporations, overlooking the unique challenges and opportunities faced by smaller e-commerce businesses. There is a significant gap in understanding how ESG practices can be effectively integrated into the agile and resource-constrained environments of start-ups and SMEs. Additionally, the specific impact of ESG on fostering a sustainable and inclusive economy through these smaller firms is under-researched. The role of technology and innovation in facilitating ESG adoption in e-commerce contexts also requires further exploration. Addressing these gaps can provide valuable insights for entrepreneurs, policymakers, and stakeholders, promoting sustainable and inclusive growth in the digital marketplace.

3. OBJECTIVES:

The Objectives of the research are

1. To Study e-commerce growth and development in India
2. To Understand the E-commerce SME's contribution to ESG
3. To find out the E-commerce's role in orders to achieve Sustainable Development Goals
4. To analyze the role of SEBI in ESG reporting.

4. RESEARCH METHODOLOGY:

The study will employ a mixed-method approach, combining qualitative and quantitative techniques. Qualitative methods that are case studies and various articles, journals and periodicals will be used to explore the perceptions, challenges, and strategies of e-commerce start-ups and SMEs in adopting ESG practices. Quantitative method will gather data on the extent of ESG integration and its perceived impact on business performance and societal outcomes Findings will be triangulated to provide a comprehensive understanding of how ESG contributes to sustainability and inclusivity in the e-commerce sector.

5. LIMITATIONS

The study is primarily relies on secondary data. The article does not extensively address the financial implications of ESG adoption for SMEs. It lacks a detailed analysis of sector-specific challenges within the e-commerce industry due nature of research type. The measurement of ESG impact remains a complex issue with limited standardized metrics. Finally, there is a need for more empirical research to validate the theoretical claims and provide actionable insights for practitioners.

6. THE CONCEPTUAL FRAMEWORKAND ANALYSIS

India has the fastest startup ecosystem. The startup ecosystem journey began in 2015, and India has the third-greatest number of unicorns on its way to becoming unicorns. The United States has

661 unicorns and Chain 312 unicorns, the United Kingdom has 47, Germany has 29, and France has 29. Startups stimulate entrepreneurship and foster an innovative culture.

Table 1: India's Unicorns and Soonicorns with Valuation

Particulars	Unicorns	Soonicorns
Total Unicorns	110	104
Total Capital Raised	$99 Billion	$17.5 Billion
Combined Valuation	$347 Billion	$34 Billion
Top Sector	E-Commerce	Fintech
Top Hub	Bengaluru	Bengaluru

Sources: Inc42's Decoding India's Unicorn Club Report2023

ESG reporting progress: The 2021 Conference of Parties (CoP26) on Climate Change was held in Glasgow, with the global community considering measures to manage climate change and minimize its impact while ensuring that no adverse effect is seen on jobs, food security, and the living standards of the masses. Among its worldwide peers, India was an early adopter of sustainability reporting for listed firms. The Securities and Exchange Board of India (SEBI) mandated the top 100 listed entities by market capitalization to file Business Responsibility Reports (BRR) as part of their annual report in 2012, by the disclosure requirement derived from the "National Voluntary Guidelines on Social, Environmental, and Economic Responsibilities of Business" (NVGs).The Reserve Bank of India (RBI), the Indian banking sector's regulator, has also promoted ESG investing in India. Companies are required under ESG legislation to disclose their ESG performance and risks to investors, which enhances openness and accountability. One of the first ESG disclosure requirements for firms was implemented by the Firms Act of 2013. The Sustainability Accounting Standard Board (SASB) framework provides Guidance to investors to disclose ESG-related information (Sinha, R.etal.(2020)[5]. The Business Responsibility and Sustainability Report (BRSR) of India, a framework for reporting on environmental, social, and governance (ESG), goes into force in 2023. Sustainable business practices include eco-friendly packaging, waste minimization, responsible procurement, and ethical labour practices. Businesses may considerably lower their carbon footprint and contribute to a more sustainable future by focusing on these practices. From warehousing and packing to shipping and last-mile delivery, e-commerce enterprises must examine and address major environmental and other sustainability challenges.

Vehicle emissions cars & vans, Heavy Freight, International shipping, medium Freight vehicles, international aviation, Bus, domestic aviation and Rail in Co2 emission is 48% of cars and vans and much less Rail 1%. E-commerce e-mobility will reduce carbon emissions and bring more sustainable efficiency.

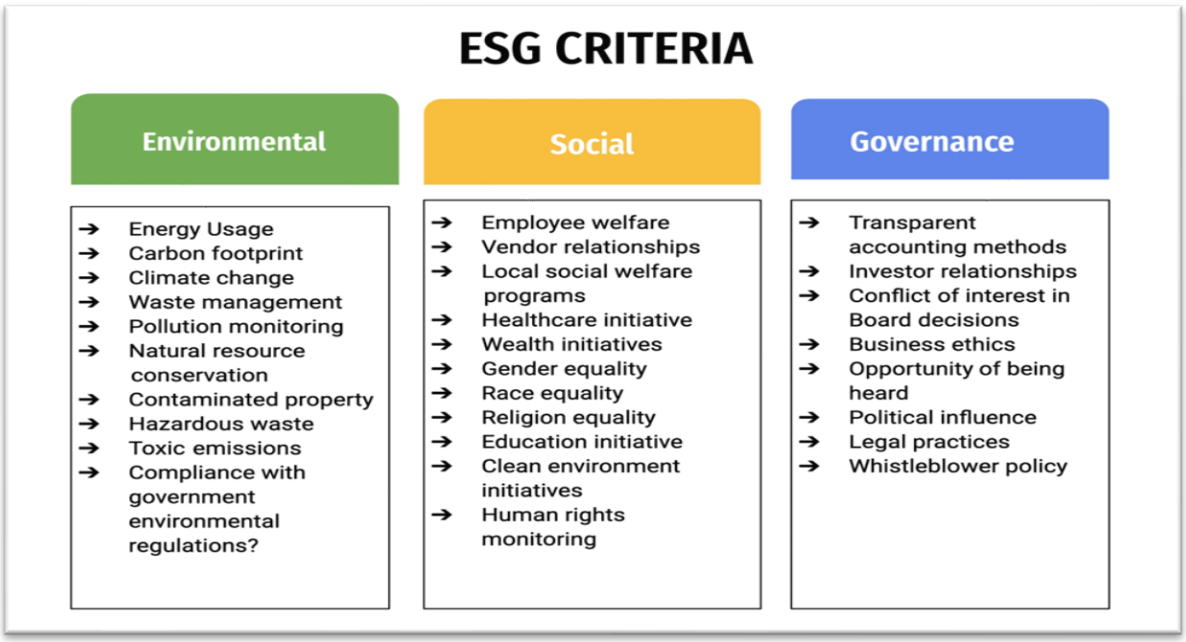
Table 2: Share of Transportation sector worldwide in 2022 Co2 Emission

Type of Vehicle	**Percentage of Share Co2 emissions**
Car and Vans	48%
Heavy Freight	16
International Shipping	10%
Medium Freight	9%
International Aviation	6%
Bus	6%
Domestic Aviation	5%
Rail	1%

Source: Times Business September, 26, 2023

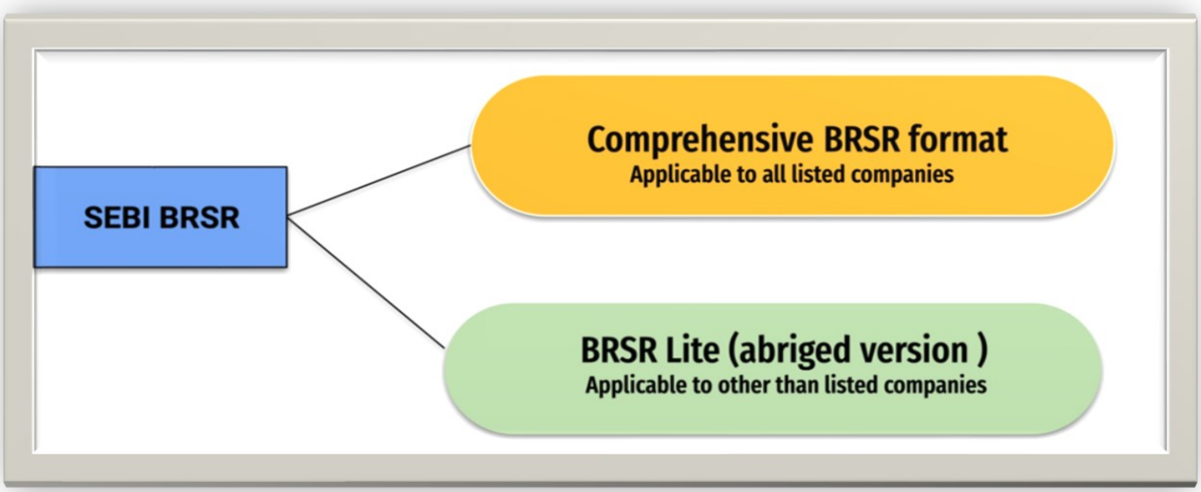
ESG framework for increasing competitive edge and boosting the reputation, attracting investors and sustainability decisions relating to pollution, climate change, carbon footprint, waste management and depletion of natural resources, Environmental, Social and governance (ESG) issues like clean energy and renewable energy, Vocational Training for enhance productivity and improve livelihoods, Employee wellbeing have impacted its business. The Securities and Exchange Board of India (SEBI) has mandated ESG reporting and declaration by listed companies from FY2023 onwards. As per the India Private Equity Report 2023, ESG-driven Investment has increased deal value to $7.9 billion from 2018 to 2022.Small and Medium Enterprises (SMEs) play a major role in economies-GDP, employment, and export of the country. The SME sector currently employs over 111 million people and contributes around 29% to the Country's Gross domestic product (GDP) and 50% of the total exports (as per the report SME futures), 2010 SEBI has laid down frame framework for setting up a stock exchange trading platform for dedicated to SMEs, around 455 companies listed on the SME platform of Bombay Stock Exchange and National Stock Exchange(NSE) in March 2012, more the 257 SMEs listed in the NSE.

Figure 1: ESG Criteria



Source: iris business.com/esg-reporting-in-India

Figure 2: SEBI BRSR



Source: iris business.com/esg-reporting-in-India

Table 3: Evolution of BRSR- ESG Disclosures

Year	Event
2009	The Ministry of Corporate Affairs "MCA" issued the National Voluntary Guidelines (NGVs) on CSR.
2012	SEBI mandated the top 100 listed companies by market capitalization to file BRR based on the NGVs along with their annual report.
2013	The Companies Act 2013 introduced one of the first ESG disclosure requirements for companies
2014	Corporate Social Responsibility (CSR) was mandated and CSR Rules came into force.
2015	Business Responsibility Reports (BRR) was extended by SEBI to the top listed companies by market capitalization
2017	SEBI advised that Integrated Reporting (IR) may be adopted by companies voluntarily from the financial year 2017-18 by the top 500 listed companies.
2019	Ministry of Corporate Affairs (MCA) released the National Guidelines for Responsible Business Conduct (NGBRC), which consists of nine principles. Business Responsibility Reports (BRR) was extended by SEBI to the top 1000 listed companies by market capitalization. The NGRBC are intended for use by all businesses, regardless of ownership, size, sector, structure, or location. These principles are intended to be followed by all enterprises investing or operating in India, including international multinational corporations (MNCs). Principle 1 Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable. Principle 2: Businesses should provide goods and services in a manner that is sustainable and safe. Principle 3 Businesses should respect and promote the well-being of all employees, including those in their value chains. Principle 4: Businesses should respect the interests of and be responsive to all their stakeholders Principle 5 Businesses should respect and promote human rights. Principle 6: Businesses should respect and make efforts to protect and restore the environment. Principle 7 Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent. Principle 8 Businesses should promote inclusive growth and equitable development. Principle 9 Businesses should engage with and provide value to their consumers in a responsible manner.

2021	SEBI introduced the Business Responsibility and Sustainability Report(BRSR)

Sources: bt Business Today-28th Feb 2023 & Rising India 10th June,2021

Some MSMEs/ SMEs have reserved ESG and tried to improve the ESG metrics primarily due to the favorable policies set by the Government and regulator. Some of the ESG SMEs are as follows:

Campus Sutra Retail Pvt Ltd.	Campus sutra Retail Private Limited is a Non-govt company based in Bangalore that was founded on July 20, 2015. It is a 'corporation limited by shares' and is a private unlisted firm. The authorized capital of the firm is Rs 10.0 lakhs, while the paid-up capital is Rs 5.0 lakhs. It provides products to NGO's
Lohum Cleantech Pvt Ltd.	Battery pack manufacturing and recycling startup and recycling firm has raised $100 million in series B funds.
NavAlt Solar & amp; Electric boats Pvt Ltd.	Novalt has innovative solar-powered electric boatsto fillSDG 9-Industry,Innovation and Infrastructure, SDG 11: Sustainable Cities and Communities and SDG 12 – Responsible Consumption and Production. It is Headquarters in Kochi, Kerala.

Source: SME Venture and Company Website

E-commerce creates a Sustainable and inclusive Economy: The e-commerce industry has enormous potential for achieving UN Sustainable Development Goals and an inclusive economy in the areas of employment, skills, and livelihood for sellers and manufacturers, new technology, policy emergence, digital literacy, and providing a platform for MSMEs/SMEs. A rural economy has emerged as a result of a shift in customer purchasing habits from tier 2 and tier 3 cities and the expansion of the market globally, inclusive economy is an important tool for many dynamic MSMEs in reducing finance costs, opportunities for livelihood, digital assistance, market information, connecting formers, women entrepreneurship, export revenue, digital payment framework, regional economy (Kharas, H et al.(2021)[6].The Government has taken the initiative to boost E- e-commerce growth through Consumer Protection (e-commerce) Rules 2020,Governmente-Marketplace (GeM), Digital India Movement,100% FDI for B2B models, Open Network for Digital Commerce(ONDC), India Stack-Payment led by UPI(Unified Payment Interface), GST Portal, Account Aggregator framework for credit availability for SMEs/MSMEs, "digital connectivity and e-commerce are emerging as important drivers market size for SMEs to domestic and global market"(Majumdar, S. K.et al.(2020)[7] technological transformation has a greater role on the ESG risks, sustainable and inclusion economy.

The E-commerce Market opportunity by2030 is $400 billion with a 19%CAGR from 2022 with total venture capital funding of $31 billion between 2014-2022.E-commerce segment includes Business-to-Business (B2B), Consumer-to-Business (C2B), Direct-to-Consumer(D2C) and Consumer-to-Consumer(C2C).

Table 4: Market Size of E-Commerce Industry in India

Year	Billion
2020	2418.49
2024F	3443.51
CAGR of 12.5% 2020	
Private Equity and Venture Capital	
2020	2.8
2021	15.89
2022	5.4

Source: IKON Analysis& Statista

COVID-19 has been a catalyst for Small and Medium-sized enterprises (SMEs) e-commerce transformation in sustainable products and helps SMEs to reach customers and enabler for Startups in India, E-commerce can help other economic activities such as higher productivity, more competitiveness, and easier access to information, and a more inclusive economy (Ahi. A.A.et al.(2023)[8],

Inclusive Economy created by E-commerce

- E-commerce boosts the rural economy by providing a platform for rural products
- Digital transformation, Digital India, online payment system, startup India has created a platform for more e-commerce startups in B2B,B2C, in India

- E-commerce attracts 100% FDI under an automatic route for the development of fracture and more connections to the customers through technology like AI, ML and Web 3.
- E-commerce Boos with mobile users, and lifestyle and rural products, Handicrafts, and agricultural products of rural India.
- E-commerce has cross-border trade, enhanced supply chain management, and created a new market, expanding the organization and opportunities for retailers and manufacturers.
- Through online shopping, web customers, foreign trade, payment ecosystem, tax collection, and luring global businesses, e-commerce has had an impact on India's GDP.
- E-commerce has created opportunities for female entrepreneurs in SMEs to lead business areas of jewellery, home décor, handicrafts, fashion garments, beauty and well-being.

E-commerce promotes the achievement of the Sustainable Development Goals (SDGs): The UN Summit" Transforming our world: the 2030 Agenda for Sustainable Development" has 17 sustainable Development goals, The SDGs are both developed and developing the most ambitious plans for a better future for all future generations. Revinova, S. (2021). Sustainable Development goals have three core elements economic growth, Social inclusion and environmental protection; these core elements are interconnected and crucial for the well-being of individuals and societies. Sustainability will be regarded as an effective means for businesses to remain competitive while attracting and retaining more customers in virtual marketplaces. (Oláh, J.et.al.(2018)[10]E-commerce has played a larger role in sustainable approaches in the areas of green packaging with recyclable and reusable materials, fair labour practices and employee engagement, reducing carbon emissions in the delivery process, empowering consumers on sustainable e-commerce practices in product return, circular economy approach in the product life cycle, regulatory compliance support, increased use of renewable energy and Data analytics, Artificial Intelligence (AI), Online payment gateway-UPI, AI Algorithms, Block chain and other emerging technologies are being used to improve customer experience, improve supply chain efficiency, and up-scale the e-commerce business.

The 17 UN Sustainable Development Goals are divided into three dimensions: economic, social, and environmental, which are People, Planet, Prosperity, Peace, Partnership and Profit for Transforming the World (sdgs.un.org/2030)

Table 5: Adoption of Sustainable Development Goals (SDGs) by e-commerce SME startups

Sustainable Development Goals (SDGs)	**Role of SME e-commerce startup in SDGs**
SDG-1: No Poverty	E-commerce expands fundamental resources and services by empowering both men and women.
SDG-2: Zero Hunger	E-commerce encourages sustainable agriculture through the use of technology and extends the market.
SDG-4: Quality Education	E-commerce companies have initiated CSR initiatives to educate both boys and girls.
SDG-5: Gender Equality	E-commerce promotes economic growth and development by empowering women and girls in public service.
SDG-7: Affordable and Clean Energy	E-commerce companies use solar panels on the rooftops of warehouses and invest in renewable energy by reducing CO2emissions.
SDG-8: Decent Work and Economic Growth	E-commerce encourages entrepreneurship and job creation by promoting productive employment and decent labour for all women and men.
SDG-9: Industry, Innovation and Infrastructure	E-commerce makes use of innovations in technology such as Fintechs, TechFin, Bigtech, Cloud services, Social Media platforms, and the e-commerce marketplace, and it bridges digital for the foreseeable future.
SDG-13: Climate Action	By promoting eco-friendly packaging materials, cardboard, biodegradable plastics, reusable containers, shifting to and electric vehicles, e-commerce contributes to the development of climate change and greenhouse gas emissions and invests in low-carbon.
SDG-17: Partnership for the Goals	E-commerce enhances interconnection with both developed countries and developing countries and increases exports.

Source: Author one view and https://www.undp.org/sustainable-development-goals

7. SUGGESTIONS

It is essential to ensure that the title clearly conveys the focus on Environmental, Social, and Governance (ESG) practices within the context of e-commerce start-ups and small to medium-sized enterprises (SMEs). This specificity helps target the right audience, including business owners, entrepreneurs, and sustainability advocates.

"ESG in E-Commerce Start-ups and SMEs: Building a Sustainable Inclusive Economy" retains the core message while being more succinct.

8. DISCUSSION AND CONCLUSION:

The current research provides a comprehensive understanding of the impact of fintech innovation on the e-commerce ecosystem, especially in tier 2, 3, 4, and 5 cities, and rural areas. It emphasizes the significance of government initiatives like Digital India, Skill India, and others in fostering a more inclusive and entrepreneurial environment. It also discussed ESG (Environment-Social-Governance) factors and their integration into investment decisions highlighting the growing importance of responsible investing. The transition from Business Responsibility Reporting (BRR) to Business Responsibility and Sustainability Reporting (BRSR) signifies a significant shift towards sustainability in the Indian corporate landscape.

The analysis of India's startup ecosystem, with a focus on unicorns and unicorns, provides valuable insights into the evolving entrepreneurial landscape. Notably, E-commerce and Fintech are leading sectors in this space. The timeline depicting the evolution of ESG disclosures in India helps establish the regulatory framework and its progression over the years. This historical context is essential in understanding the current landscape. Its emphasis on the impact of e-commerce on the economy, especially in terms of job creation, rural empowerment, and contributions to sustainable development goals, paints a vivid picture of its multifaceted benefits. The objectives and research methodology of the study outlined indicate a clear path for the study, leveraging both conceptual and empirical approaches.

ESG practices have made a significant impact on SMEs in the areas of the environment, human rights, employee health and welfare, economic and social development, and governance, and have increased opportunities in organic foods, clean Tech, beauty products, fashion, supply chain technology, waste management, water usage, and energy. ESG reporting has increased visibility for attracting PE/VC and private Individual investors looking to fund expansions. Environmental, Social and Governance (ESG) organizations become the gold standard for investors. The efforts made by the SEBI, BSE, and NSE in creating a platform for SME Start-ups help them get equity funding and create more visibility, transparency, and governance in ESG reporting for listing SMEs IPOs, but more awareness on ESG for SMEs needs to be created by both market regulator and exchange.

This research combines a broad spectrum of data, regulations, and insights to provide a comprehensive view of the SME startups, fintech-driven changes in the e-commerce ecosystem and their implications on sustainability and inclusive economic growth. This is an important area of study with significant implications for the future of sustainable E-commerce in India.

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