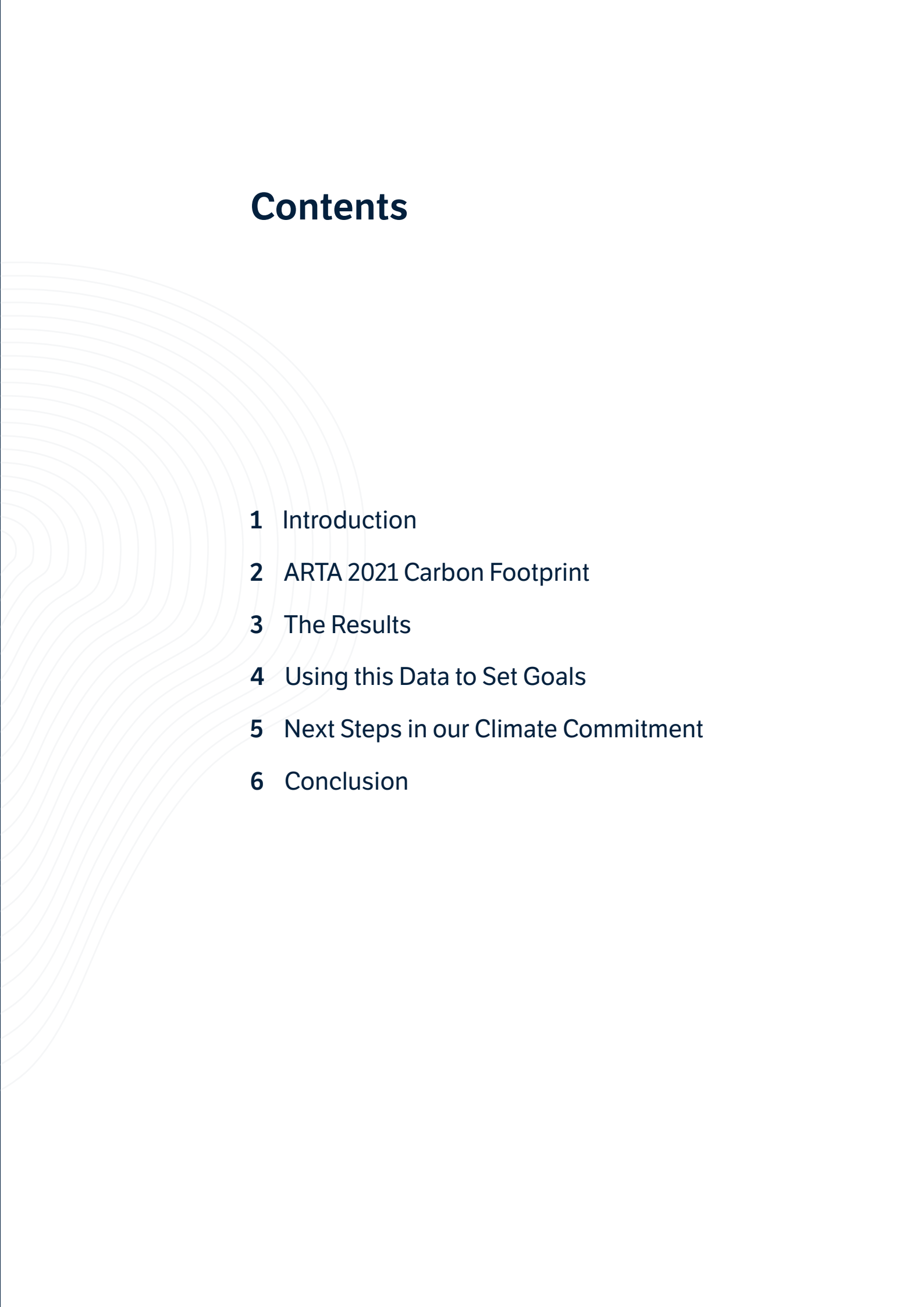




ART A 2021 Carbon Footprint + Climate Commitment

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Introduction

Over the past two years, we have dedicated resources across our team to focus on how we can do our part as a business to address climate change.

We set out to become a thought leader and first mover in the industry, and we are energized by the climate movement that has become a driving force across the art and collectible ecosystem.

Today, we are excited to release the results of our 2021 carbon footprint audit and share impactful product updates going live in the coming months that will help our clients achieve their own climate goals.

ARTA 2021

Carbon Footprint

Expanding on the [work we did](#) in 2020 to measure the carbon emissions from all shipments booked through our platform, our 2021 emissions audit—again in partnership with the [Carbon Accounting Company](#)—looked at our entire business operation.

We analyzed emissions from each team member's home office, our co-working space, business travel, offsite servers, and booked shipments.

The goal of this reporting was to understand the scope of our carbon footprint across the entire business, identify how we can maintain the low levels of emissions from business operations in a non-pandemic year, and identify areas where we can reduce our emissions.

We are sharing our results publicly in hopes that other businesses can learn from our findings and be inspired to measure and take action as well.

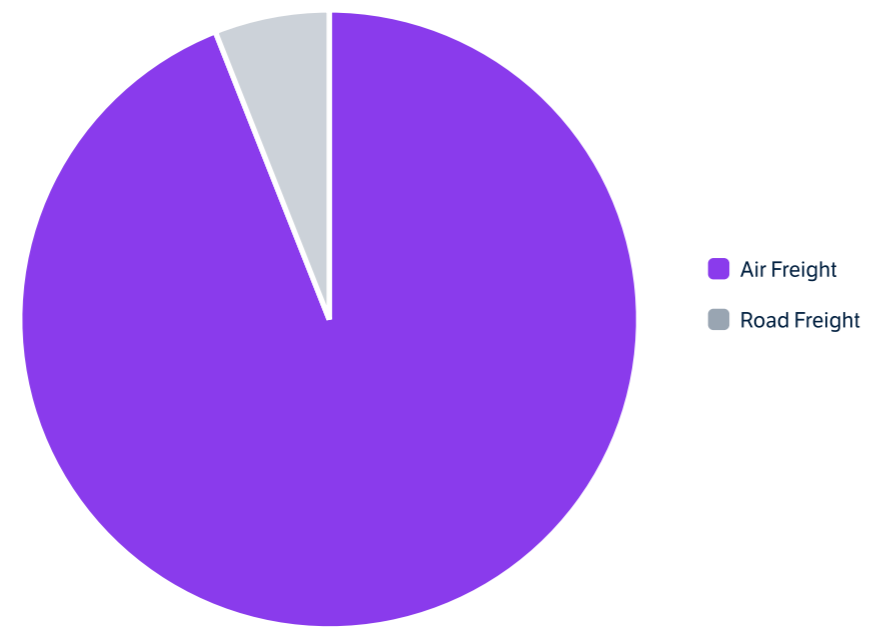
Chicago, Illinois
 Montreal, Canada
 Cranston, Rhode Island
 New York
 Kansas City, Missouri
 Aspen, Colorado

Perth, Scotland
 Copenhagen, Denmark
 Paris, France
 Tbilisi, Georgia
 Seoul, South Korea

The Results

Shipping

Almost our entire carbon footprint—99% to be exact—can be attributed to shipments booked through our platform via the ARTA Dashboard or our API. Air freight accounted for 94% of those emissions, and yet air shipments accounted for less than half of our shipment volume. Road shipments, on the other hand, accounted for 6% of shipping emissions and over half of our shipment volume.



The large discrepancy between emissions and volume contribution can be attributed in part to the fact that air shipments often travel longer distances than road shipments. For ARTA shipments in 2021, the average distance traveled by road freight was 1,264 miles (2,034 km), while the average distance for air freight was 5,121 miles (8,241 km).



Given that distance is one of the factors used to calculate emissions, it makes sense that our air freight shipments emitted more emissions than road freight shipments. However, it is known and supported by our data that air freight produces more emissions than road freight with other factors (item size/weight and distance traveled) being equal.

Los Angeles, California

Lima, Peru

Nairobi, Kenya

Hong Kong

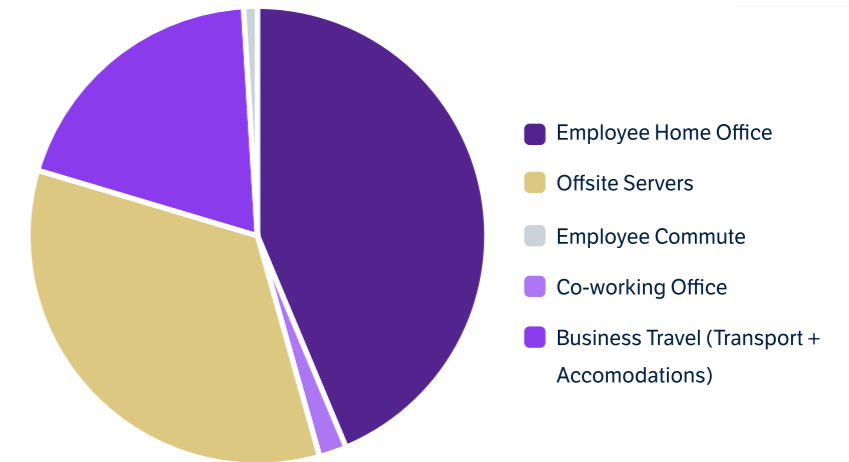
Business Operations

As a result of the global pandemic, ARTA's work structure permanently shifted. The upside of the pandemic was a large drop in our environmental footprint. We no longer have permanent office space and have embraced a remote workforce (we did, however, begin leasing a small co-working space towards the end of the year).

To account for the true carbon footprint of our business operations in the world of remote work, each team member provided electricity, gas, and water data to help calculate the footprint of their work-from-home space.

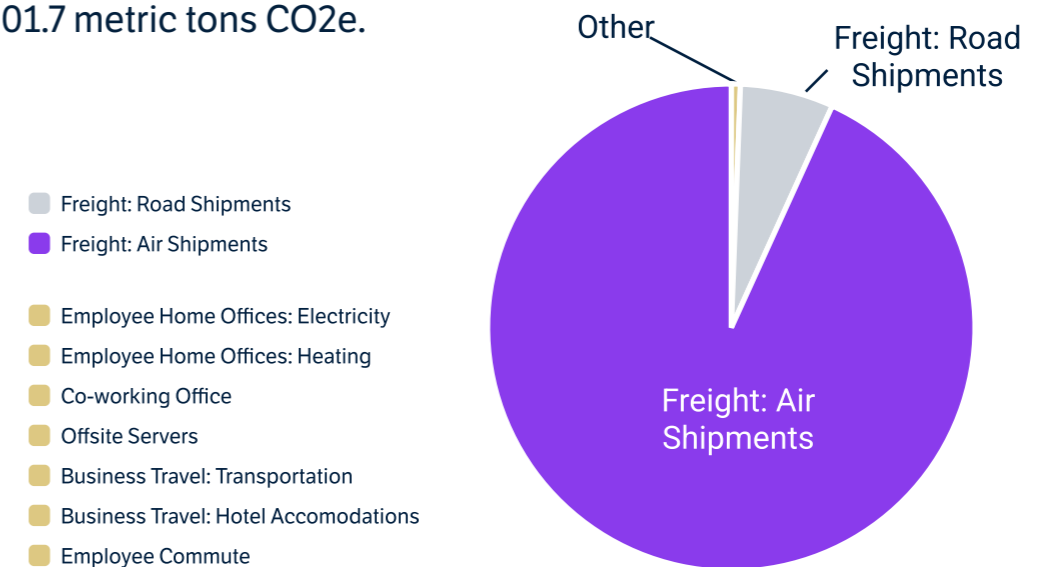
As a tech company, it was also important to measure the carbon footprint from our servers. And lastly, though business travel was kept to the bare minimum, we accounted for the two business trips taken in 2021.

Here is a breakdown of emissions from non-shipping business operations.



Total Emissions

ARTA's carbon footprint in 2021 totaled 901,738 kg CO₂e, or 901.7 metric tons CO₂e.



Using this Data to Set Goals

While we may explore a hybrid work model in the future, we are committed to maintaining co-working space only with climate-conscious businesses and ensuring the carbon footprint from our office space and employee commute is <50% of that from pre-pandemic years even as our team continues to grow.

While our business travel was minimized in 2021 as a result of the pandemic, we do anticipate our corporate travel will increase in 2022.

However, we have learned that our team can do business from anywhere, and the level of pre-pandemic travel was unnecessary.

We will analyze all travel requirements moving forward and pledge to book only essential travel, for the fewest number of employees possible, and on a route that takes into account emissions.

Though we have always been able to source sea freight rates, we did not book any sea freight shipments in 2021. This was due both to low demand and the high and unpredictable pricing of sea freight caused by global supply chain issues.

Sea transport emits substantially fewer emissions than air freight (read more about this in our [whitepaper](#)), and for that reason we are already working to incorporate sea freight rates into our instant pricing product in hopes of wider adoption and a reduction in CO2 emissions from air transportation.



CHUYAPI-URUSAYHUA REGIONAL
CONSERVATION AREA



Next Steps in Our Climate Commitment

In addition to identifying these areas of our business where emissions can be reduced, we also believe that investing in fully-vetted, permanent carbon removal projects to offset emissions is an important way to take responsibility for the emissions that can't be reduced.

To this end, we are proud to contribute our Strategic Climate Funds for the second year to Art to Acres, which works with local communities on large-scale land conservation projects. Our contribution will support the permanent conservation of 13,035 acres of tropical forest in the Chuyapi-Urusayhua Regional Conservation Area near Cusco, Peru. You can read more about this project [here](#).

If we are to achieve the ambitious targets set out in the Paris Agreement to cut emissions by at least 50% by 2030, it is going to require that every business and individual commit themselves and do their part.

We feel strongly that you can't set goals without having baseline data, so we are committed to providing our clients with data they need to measure their carbon footprint.

To this end, we will be including carbon emissions in the ARTA Dashboard for every shipment—a new feature launching in the coming months. In the interim, we will continue to provide carbon emission reporting to clients upon request.

Conclusion

We are excited to continue our work with industry leaders and clients to tackle climate change together. To learn more, share ideas, or discuss partnering on climate initiatives, please reach out to hello@arta.io.