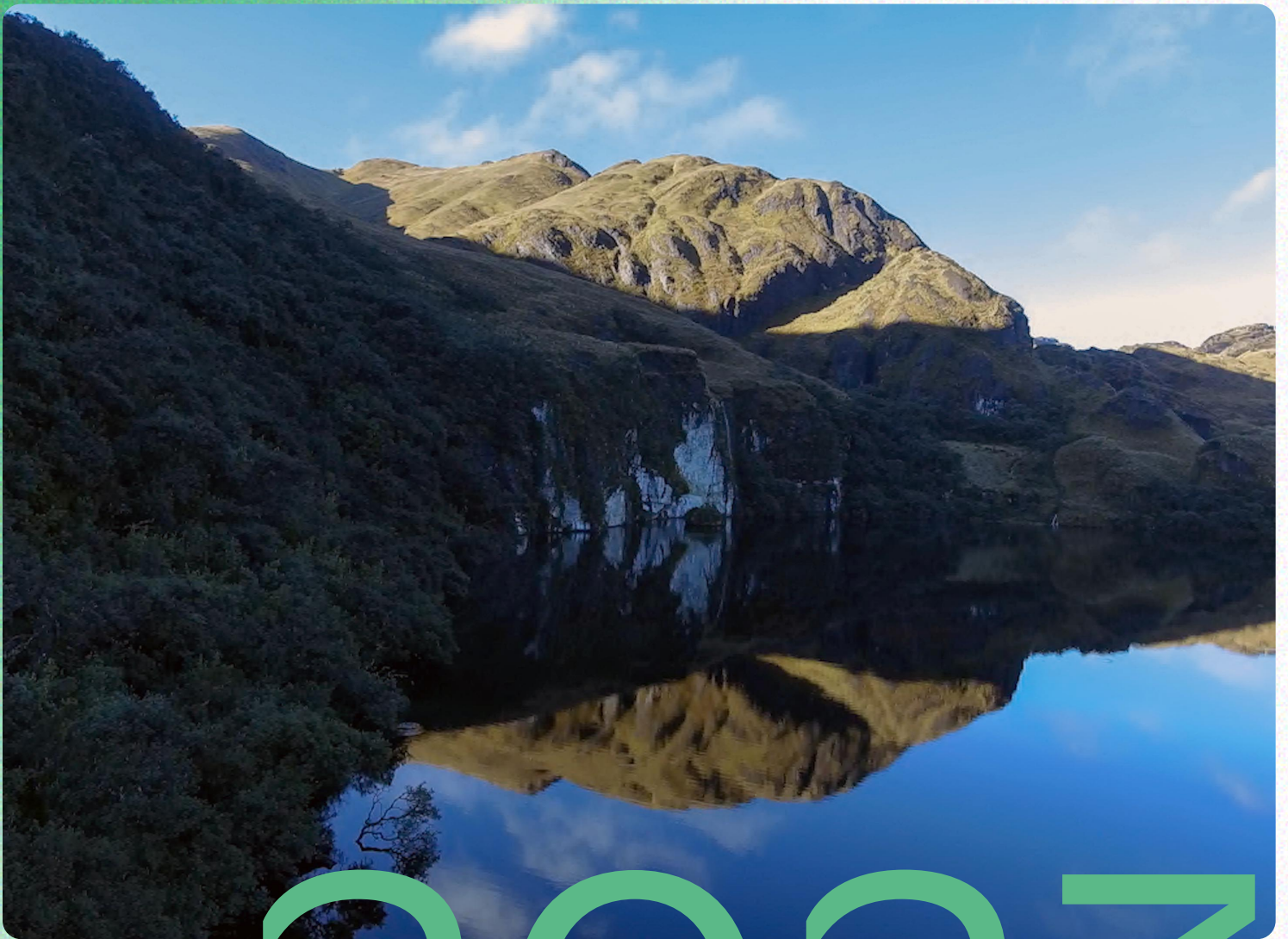


Arta Emissions

Sustainability Report



2023

Introduction

2023 was a transformative year for Arta, with our business aligning more than ever to the evolving needs of our clients.

Our commitment to providing innovative solutions to address our clients needs not only assisted them in reaching their strategic objectives but also resulted in a substantial reduction of our annual emissions by almost 330,000 kg CO₂

To put this achievement into perspective, it equates to approximately 300 Economy Flights between London and New York.

Now, you could be thinking that our reduced emissions are a result of fulfilling fewer orders. On the contrary, we actually handled more orders than ever before. However, it's the manner in which we fulfilled these orders that had the most significant impact.

So let's share what's happening...

New Year, New Arta

Last year we focused on redefining our identity. At its core, Arta is a technology company that uniquely stands to provide solutions that enhance efficiency and deliver best-in-class experiences for collectibles sellers & buyers.

Our unique solutions have allowed us to expand our partnerships across various industries, from baseball and Pokemon card retailers to vintage luxury watches merchants, physical NFT marketplaces, and designer studios. This diversity requires us to provide comprehensive and versatile fulfilment and post-sale services.

Changing Needs of Buyers

In the Amazon era, buyer expectations have evolved. Price transparency, "free shipping," next-day delivery, and order visibility are no longer just preferences, but musts. The collectibles industry, traditionally slow to change, find themselves adapting operationally and technologically to meet these demands.

Rise of Luxury Goods in the Auction world

Despite challenges in the global art market, luxury emerged as a shining light in 2023. Sotheby's reported a staggering \$2.5 billion in luxury revenue, and Christie's saw a 43% surge in luxury sales, reaching \$590 million in the first half of the year.

Josh Pullan, Sotheby's Global Head of Luxury, articulates the significance of this trend for the enduring success of the auction industry:



The rise of new offerings, combined with digital and on-the-ground experiences have dramatically expanded Sotheby's audience to a new and younger demographic of collectors."

Digital Transformation

To align with the new buyer landscape, collectibles businesses, incl. auction houses, are transforming into efficient ecommerce entities. This shift includes e-invoicing + shipping & insurance, rolling out in-house packing teams, increasing value thresholds to ship with FedEx, UPS etc and giving buyers costs upfront. These operational, customer experience and finance changes have, in turn, speed-up payments, improved shipment turnaround, reduced overheads internally, satisfied customers, given them greater control on the customer experience and unlocked more economical forms of transport.

Our Solution

Arta supports our client's in two important ways:

- **Fulfillment:** Arta automates label generation and facilitates seamless communication with packers, ensuring transparency and efficiency.
- **Insurance:** Our Self Ship service offers transit insurance up to \$100k, safeguarding goods in transit.

These solutions not only provide cost-effective and streamlined options for buyers but crucially contribute to a substantial reduction in emissions.



Emissions Impact - 2023 vs 2022

Let's examine the tangible impact of these changes on our 2023 emissions:

<i>Quote Type</i>	2022 Sum of Emissions (kg_co2e)	2023 Sum of Emissions (kg_co2e)	<i>% Change</i>
Premium	290,063.87	183,016.33	-45.26%
Select	173,599.48	64,195.72	-92.02%
Parcel	624,843.55	501,062.98	-21.99%
Self Ship	101,814.22	127,856.23	22.68%
Grand Total	1,202,224.33	876,131.00	-31.38%

While we **successfully reduced emissions** in our managed service - Premium, Select & Parcel - the increase in Self Ship emissions reflects the shift towards:

- Our changing client base that consists of a high-proportion of **peer-to-peer marketplaces** and **e-commerce**.
- Our clients, namely auction houses, changing behavior. Notably, packing in-house, & using our shipping labels & insurance.

Our Action

We are proud to continue to support community-led permanent land conservation in 2023. Art to Acres, a unique, artist-led conservation initiative supporting the new permanent protection of large-scale landscapes through collective contributions by the visual art sector. For 2023, our contribution will fund the **conservation designation and legal protection of a 66,633-acres watershed ecosystem called the Yanuncay Zhucay Municipal Conservation Area, Ecuador.**



Arta Emissions Report

True to Arta’s interest in connectivity, this new protected area increases the connectivity of the local conservation work, as it is located between Cajas National Park and Quimsacocha National Recreation Area. We’ve learned that a **main tenant of land conservation is integration and connectivity to support species migration.**

Our local conservation partners are Re:wild, Nature and Culture International, and the Andes Amazon Fund, with generous matching funds from the Wyss Foundation. You can read more about the locally-led project and the unfolding conservation support to permanently protect these high-altitude grasslands and montane forests [here](#) and you can read more about past projects we have supported through the Galleries Commit x Art to Acres worker-led partnership to permanently protect vulnerable ecosystems [here](#).



Photography copyright Andes Amazon Fund, Nature and Culture International

Images of the acreage conserved through this project are featured in our cover page, and throughout the report. Credit to AAF and NCI.