

A woman with long dark hair, wearing a vibrant red sleeveless lace dress, stands in the foreground. She is looking towards the camera with a slight smile. In the background, the Eiffel Tower rises against a clear blue sky, partially obscured by the bare branches of trees. To the right, a portion of a classical Parisian building with ornate architectural details is visible.

CIRCULO

85 years connecting people

SUSTAINABILITY REPORT • 2023

**Do you know what is most
extraordinary in my life?**

It's realizing it has always been guided by many connecting "threads"...

Threads that have led me in many directions since 1938. From my hometown,
Gaspar (State of Santa Catarina), to all regions of the country. From my Brazil
to dozens of countries.

Threads that are more than cotton, acrylic... that carry my strength, my determination,
my ability to grow, to continue creating and innovating to go further!

Threads that drive my desire to respect and protect what is around me...
The environment, my community, my teams.

Threads that show the best of me: My tenderness, my style, my care.

Threads that entertain, empower, transform realities. They are affection, care, warmth.

Threads that have been connecting me with people and their
extraordinary stories for 85 years.

All these threads, intertwined... that's who I am!

nice to meet you,
CÍRCULO

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Message from the leadership

We reached our glorious 85 years of history with a heart full of pride for our remarkable journey and the contagious energy of those who are ready to live, do and tell many more stories!

Speaking of history... The one we wrote until 2023 was really exciting. We are present in more than 50 countries, a result of the path we have built towards internationalization. We also reinforced our presence in the Brazilian market, consolidating our market share and bringing more than 700 products to our consumers. More than numbers, we celebrate our role as a reference in innovation, quality and tradition, all thanks to the talent and dedication of our 1,300 employees.

We are a family passionate about the art of crafts, and this passion is our driving force. In 2023, we invested BRL 4.4 million in projects that reflect our commitment to the health, education and engagement of our employees. Because here, we are made up of people, and we only got so far thanks to our people.



We have an unwavering commitment to fair, ethical and sustainable business, and we go further when we influence and pursue these same values in the supply chain.



Lower environmental impact

In 2023, we got important certifications, such as the GHG Protocol Silver Seal, a result of monitoring polluting gas emissions, and also the recognition from Better Cotton, where 100% of the non-recycled cotton acquired in 2023 was certified by this international organization, which establishes good agricultural, environmental and social practices.

Speaking of care, we deliver to our consumers not only high-quality yarns, but safety and responsibility. For the second consecutive year we received the OEKO-TEX certification, a testimony that our products are free from harmful substances. This way, we reduce the risk of allergies as much as possible, and deliver a light, soft, comfortable, beautiful and high-quality yarn, which is a source of creativity for many artisans around the world.

We believe in the transformative power of education and in the strong approach that quality content creates between us and our end consumer. That's why we built a large ecosystem to supply the artisanal community that today has more than 10 million people in Brazil, according to IBGE (Brazilian Institute of Geography and Statistics). And that's why we developed and offered a series of content to teach, encourage and inspire those passionate about handicraft, like us. In 2023, we delivered to our audience 7,000 step-by-step patterns and 1,800 video tutorials, all free of charge.

Our history is "intertwined" with the development of Gaspar, our hometown and community (in the State of Santa Catarina, Brazil), where we continue to grow. Together we make a positive impact with jobs, donations and support. But we don't stop there, as looking outside and beyond is part of our values. This is why we also expanded our impact in the country, through projects such as Ponto Firme, an initiative that promotes social transformation through fashion and crochet for prisoners and ex-prisoners. And, of course, we cannot fail to mention the allocation of BRL 945,000 to projects and funds, which demonstrates our social commitment.

Developing businesses that include environmental and social perspectives in decisions and results is a premise that has always been part of our values. In 2023, we improved our ESG (Environmental, Social and Governance) governance by creating a sustainability committee, with the purpose of leading the company in the process of establishing and strengthening the ESG culture throughout the company. This report, our first one, also represents our choice towards sustainability, with transparency and coherence.

And finally, 2023 was also a particularly special year for me, as I took over, with great honor, the mission of leading Círculo's business as CEO, succeeding José Altino Comper, after 34 years of his full dedication to the company. Our past is a solid foundation, marked by great evolution and achievements. And, as the current CEO, I am committed to a future-focused leadership to lead Círculo even further, with innovation and attention to the market and consumers.

For 2024, in addition to new challenges, we foresee significant advances in our ESG journey, further integrating sustainability into our business and communication strategy.

I believe that our choices, guided by respect for people and the planet, will lead us to a prosperous future.

Thanks everyone for being part of this extraordinary journey. Together we are the force that drives Círculo towards new horizons.

With gratitude and determination,

Osni Oliveira Junior
CEO of Círculo S/A



About the report

We believe that sustainability is a journey, a key approach for the prosperity of business and society. Connected to this view, we developed our first sustainability report, an important step to strengthen transparency and management of the ESG agenda at Círculo.

In addition to presenting our business model, this first report demonstrates our achievements and commitments to responsible environmental management, positive social impact and good governance practices.

The topics reported were selected by observing the company's main impacts and most relevant stakeholders. The information corresponds to 100% of Círculo S/A's activities in the period from 1/1/2023 to 12/31/2023. In case of variation, the exceptions will be indicated in the text, in captions or footnotes.



Contact for questions or suggestions about the report:
esg@circulo.com.br



Aware of global movements and understanding our role in society, we also connect the content of this report with the Sustainable Development Goals (SDGs) of the United Nations, identifying our practices and how they contribute to the SDGs, according to the correlation indicated on the next page.

Enjoy the reading!

Our actions connected to the Sustainable Development Goals (SDGs)

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Employee well-being and development	46 to 57	  
Education and professionalization of crafts	58 to 60	   
Active presence in the community	61 to 63	



2023 Highlights

85 years

celebrated
with pride!



1,291

employees

1,100

suppliers



50

countries
served

5,700

tons of
manufactured

9,400

multi-brand
retail customers



69

customers
from the
Textile Industry

+6.6

million products
sold in the year



BRL 11.7

million in
infrastructure
and innovation
investments



BRL 4.4

million invested in well-being and development of employees



+29,000

artisans attended workshops

+7,000

step-by-step patterns available for free

490.2

tons of offset waste

67

NPS, which demonstrates end consumer satisfaction



100%

of non-recycled cotton yarns are OEKO-TEX certified

27.8%

of the waste generated was submitted to recycling



+BRL 945,000

invested in projects in the community through incentive laws or product donations



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About Círculo

We are celebrating 85 years of history, combining innovation and modernity with tradition and quality in each product we develop.

CÍRCULO

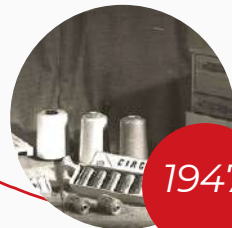
Our History

Our history began in 1935, when Mr. Leopoldo Jorge Theodoro Schmalz, a Swiss entrepreneur, arrived in Brazil, bringing his expertise in textile mechanics, acquired in Germany. Driven by the dream of one day founding his own yarn factory, he designed his machines himself.

Mr. Schmalz has always been synonymous with work, overcoming and pioneering, an example of courage and confidence in the future. Then in 1938, with a lot of dedication, Leopoldo Schmalz & Cia Ltda was born. The company prospered and became Círculo S/A, which, for 85 years, has conquered the country through quality products, aligned with the main market trends.

**1938**

The dream of producing yarns for handmade work comes true. "Leopoldo Schmalz & Cia Ltda" was born on 1/23/1938.

**1947**

"Leopoldo Schmalz & Cia" was renamed "Indústria de Linhas Leopoldo Schmalz S/A". Círculo products achieve extraordinary acceptance in the Brazilian market.

Ribbon tapes, twine cords, embroidery, knitting and darning, now also crochet and mercerized threads for sewing in ninety colors.

**1967**

An important step towards self-sufficiency: we started producing our own yarn, using down cotton.

**1972**

Círculo products, successful throughout Brazil, spontaneously reach the Latin American market. Paraguayans and Bolivians came in person to Brazil to purchase the Círculo "hilo", which became the most used yarn in these countries.

**1977**

Leopoldo Adolfo, son of the founder, becomes the company's CEO. In the 70s we expanded our structure for new spinning equipment and warehouses, the modernization of the laboratory and dyeing sector, and the milestone of 1,600 employees.

**1982**

We created Círculo Comércio Exterior (Foreign Trade Círculo), a facilitator for exporting to Europe, Asia, and North, Central and South America. In the following years, we exported 1 million kg of yarns to Belgium, Italy, Germany, Japan, the United States, Canada and other countries.

**1992**

Creation of the Effluent Treatment Station.

**2004**

We innovated in the tapestry market by launching an exclusive multicolor yarn: Barroco.

**2008**

We implemented the process of reusing dye baths, which significantly reduced the volume of effluents generated. The first colors submitted to this reuse process were shades of red. Círculo is one of the pioneering companies in the field to adopt this process.

**2017**

The Japanese amigurumi technique became popular in Brazil through Círculo. The launch of the Amigurumi yarn and step-by-step booklets transformed the company into a reference in the segment.

**2023**

We celebrated 85 years of history!

We had the transition of leadership from José Altino Comper, who led the company for 14 years, to Osni de Oliveira Junior, who begins a new chapter as president of Círculo.

Throughout our history, we have invested in the modernization of equipment and processes, and expanded our operations and our presence in the national and international markets, always aligned with the commitment to exceed the expectations of those who connect with us, ensuring satisfaction and delivering beauty, entertainment and a significant source of income for customers and consumers.

Out more about our history on the website:

circulo.com.br/nossa-historia



**Since the beginning,
the passion for
handmade work
is what drives us.**

We celebrated 85 years of history!

Over Círculo's 85 years of history, many people have connected with us, through our business or our products. To celebrate, we selected 85 stories from consumers, employees, former employees, store owners and agents, who shared special, exciting, funny, overcoming or loving moments they lived with our brand. Incredible memories that were built with our products, which surpassed generations, connected families, gave new meaning to feelings, granted independence and transformed lives.

Visit our blog to find out all the stories:

www.circulo.com.br/blog



The Cléa and Anne yarns, the brand's oldest yarns and which remain among the favorites of artisans to this day, were also included in the celebrations. We rescued the Anne and Cléa yarns from 1948 in a special edition of 20,000 skeins of Anne 500 and Cléa 1000, in white color.

The Love Círculo app update was another new feature to celebrate our anniversary! In addition to a new, redesigned and more intuitive interface, the app also gained a premium version, available through subscription, with access to exclusive digital materials, such as Amigurumis booklets, magazines, videos, patterns and special actions at fairs and events.

We reached 85 with the important milestone of 50 countries served with the export of our products. Achievement celebrated with the Círculo S/A campaign around the world – 85 years, in which we take the beauty of handmade work and Brazilian craftsmanship to incredible places, such as Trancoso, Mykonos, Miami, Paris, New York and Turin, combining different materials, contents and patterns.



We celebrated with our teams!

We also celebrated the anniversary with Círculo employees, through engagement actions, special communications remembering our history, and loving and festive moments, after all, our teams are key protagonists of this successful story!

Who we are

We are one of the largest textile companies in Brazil, a position reached due to our tireless search for what is most innovative on the global craftsmanship market combined with our ability to adapt and meet the demanding Brazilian market with mastery.

We stand out as a leader among the main suppliers of yarns for fashion and decoration, not only because of the quality of our products, but also because of our ability to anticipate and incorporate the latest market trends. These skills make us a reference and reliable partner for those seeking excellence in craftsmanship.

Our commitment goes beyond offering products, it's about creating a unique experience for our customers and consumers, contributing to creative expression, well-being and economic development. This is the legacy we have built, driven by the passion for craftsmanship and the desire to be a protagonist in the history of the textile sector.



We are “pride in maintaining our essence: dedication to work, overcoming and pioneering, always!”

mission

To be a reference in fashion and decoration, and provide solutions that stimulate creativity, generate income, and deliver satisfaction and beauty.

strategic intention

Prioritize positive results and growth above the sector average.

values

- Social responsibility
- Ethics
- Credibility
- Transparency
- Autonomy
- Commitment
- Participation
- Global vision and action
- Sustainability
- Valuing and developing people
- Company and personal branding



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Business model

We are proudly one of the largest textile companies in Brazil, with solutions that value and strengthen “handmade” work.

CÍRCULO

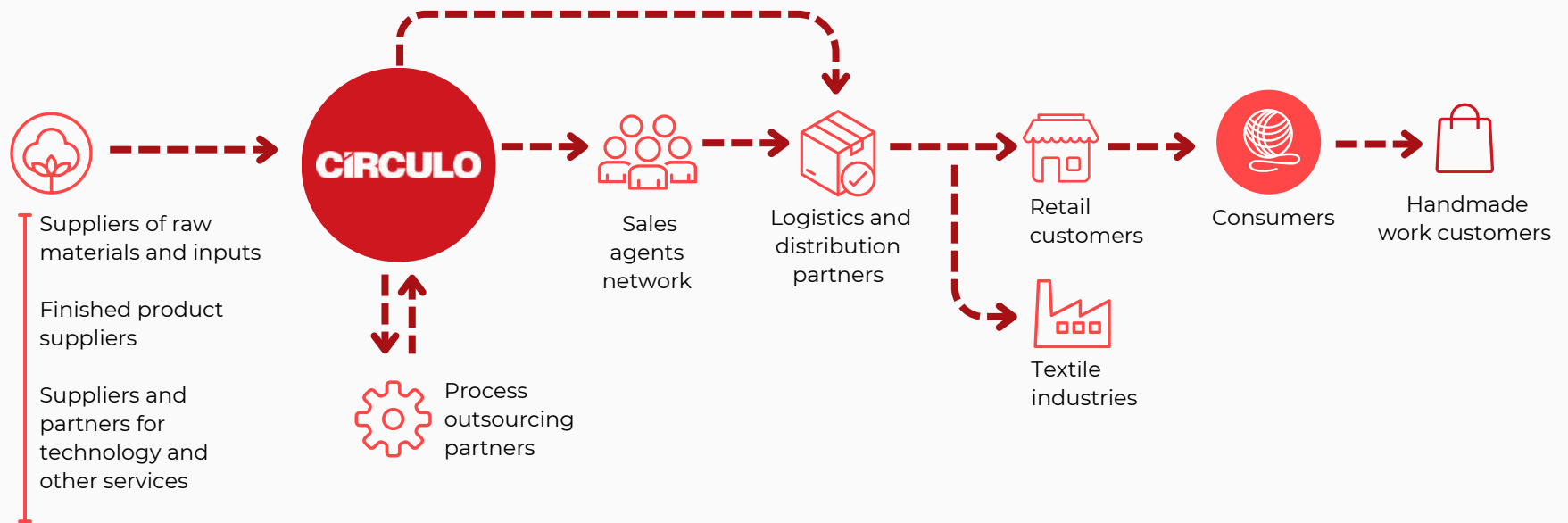
We are the largest manufacturer of yarns for handmade work in Latin America.

Developing products and accessories for craftsmanship and the textile industry. With more than 1,300 employees, our operations are reinforced by a network of 1,100 suppliers and partners to whom we outsource stages of the production process, and which share our values: quality and trusting relationships.

To take our products to the consumer, we have 84 agents who connect 9,400 retail entrepreneurs, in addition to 69 textile factories, our customers. With these stakeholders, in addition to commercial relationships, we maintain occasional relationship and engagement actions, such as training and partnerships for the points of sale. In 2023, we sold more than 6.6 million products on the national and international market.



Our Value Chain



96% national suppliers

4% international suppliers

Our operations

Círculo's journey is closely linked to the history of the city of Gaspar, in the State of Santa Catarina, Brazil, where the company headquarters is located, with more than 47,000 m² of built-up area, comprising our production plant and 1 warehouse, in addition to 14,000 m² that consists of 4 Distribution Centers, also in Gaspar.

Stages of the production:



1. Spinning

yarn production from cotton or synthetic fiber



2. Dyeing

dyeing, printing and softening



3. Finishing

yarn packaging in ball, cone or skein/hank formats

In 2023, we produced 5,700 tons of yarn and consolidated the expansion and updating of our manufacturing plant, which represented an investment of BRL 11.7 million, with emphasis on the integration of 11 new machines and the installation of air conditioning in the spinning process area, thus providing more evenness, greater twist control and, consequently, improved quality to yarns, in addition to providing a more pleasant working environment for people.

A. 84%

B. 16%

A. In-house production

Products manufactured within the company or with the support of third-party partners in some stages of the production process.

B. Finished products

Finished products purchased from suppliers, such as needles and fabrics, then sold by Círculo to expand the portfolio of products offered to customers and consumers.



Quality and continuous improvement

Continuous improvement and rigorous quality control, from the moment raw materials arrive at the factory until the moment products are shipped to customers, are part of our DNA. Also in 2023, in order to reinforce our quality culture, we held our first Quality Week, with the theme “Quality at every stitch, excellence at every yarn”, involving games and engagement actions for the company's teams.

Another important initiative, which strengthens continuous improvement in our operation, is the “CIM” (*Círculo de Inovação e Melhoria*; “Circle of Innovation and Improvement” in English). A strategic program, which aims to boost innovation, encourage collaboration and promote continuous development. Employees are encouraged to share creative ideas, actively collaborate in solving challenges and contribute to the constant improvement of the company.



CIM 2023

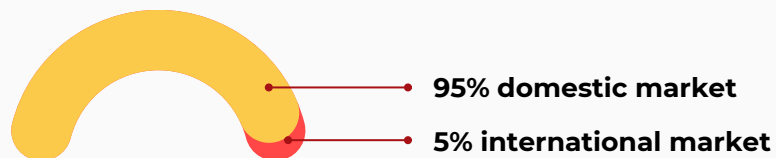
In 2023, 11 teams presented projects that brought financial, sustainable and organizational benefits. To recognize their efforts, we rewarded dedication in different categories, including the highlight of the year chosen by voting.



Served markets

We are on 5 continents, taking our products to 50 countries, in addition to being present in all regions of Brazil, serving the fashion, decoration and textile industry markets. Today we are the brand with the largest market share in cotton yarn in Brazil and Latin America, in addition to having the most complete and best quality line of cotton yarn in the world.

We operate with different internationalization strategies, adapted according to the markets and needs of our customers. One of the short-term goals is our consolidation in the North American market, in addition to expanding operations in Europe and strengthening operations in Oceania.



Strong brand

In recent years, we have reinforced our communication, prioritizing digital channels, with a commitment to transparent, accessible communication, aligned with current dynamics.

Followers on Instagram: 605,000
subscribers on YouTube: 695,000
followers on Facebook: 528,000
followers on LinkedIn: 20,500
Love Círculo app users: 156,800

Special customer service

We strengthen our brand in every service we provide to our consumers! In 2023, as a recognition of our excellent customer service, we received the RA1000 certification and were nominated for the third consecutive year to compete for the Reclame AQUÍ Award in the Textile Industry segment, which is considered the biggest customer service award in Brazil.



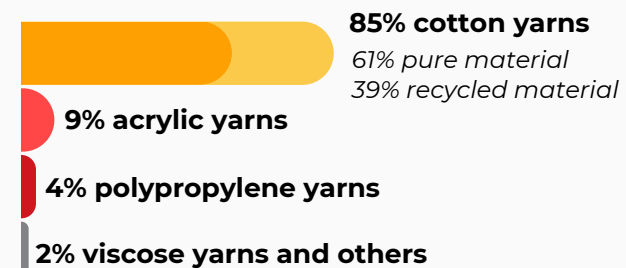
**diversified
operation
to deliver the
best product!**

Our products

More popular than ever, handmade has become a trend in the world of fashion and decoration in Brazil and many places of the world. In addition to our connection with artisans, we also serve the textile industry by supplying materials and inputs. Our products bear Círculo's recognized trademarks: innovation, which occurs across the company involving many areas, and "made in Brazil" quality, with unique-format products on the market.

The cotton, acrylic and polypropylene production lines are highlights in our diverse range of products, which also include viscose, wool, elastane and other fibers. Cotton is our main raw material, used in high quality yarns. Our acrylic yarns are a cutting-edge innovation, with diverse textures and colors, and connected to the latest trends in crafts and fashion. Polypropylene yarns, with their versatility and resistance, consolidate Círculo's presence on markets ranging from decoration to clothing manufacturing.

In 2023, aiming to bring news to the handicraft market, we launched the Círculo Premium T-shirt Yarn. With 31 color options, 25 mm thickness and Easy Pull system, it is perfect for crochet and knitting works, applied to fashion accessories and decoration, in addition to being a 100% Brazilian product. We also launched the 2023 Special Yarns collection, with 37 items, 12 of which are new products, highlighting the season's trending colors.



In addition to the diversity of yarns, suitable for techniques such as embroidery, macrame, crochet and knitting, our product portfolio includes accessories and items connected to the “handmade” universe, such as needles, scissors, lace and fabrics, with the aim of delivering the best and most complete solution for customers and consumers.

We deliver to the network of artisans connected to Círculo a series of content and step-by-step patterns for the most varied craft techniques, through magazines, in-person events, e-books, YouTube channel, brand social networks, and through the Love Círculo app, all free. In 2023, we also released a digital content subscription service through the app, which reinforces our commitment to strengthening and expanding the exposure of handmade work.

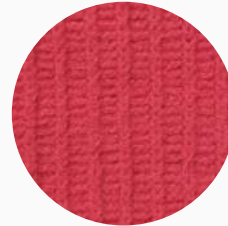
Círculo Universe:



Crochet yarns



Amigurumi yarns



Knitting yarns



Embroidery threads



Sewing threads



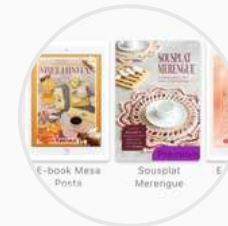
Industrial yarns



Fabrics



Accessories
(needles, ribbons, lace, embroidery, glues, and other accessories)



Magazines and contents

We were there!

Círculo Yarns on the catwalks of São Paulo Fashion Week with lots of crochet through the Ponto Firme project and the brands: Led, David Lee and Moda de Pedro.

Círculo exclusivity on the show at Copan Building in São Paulo, through a collab with designers Gustavo Silvestre and Kevin Germanier, who brought a collection of designs made with sustainable sequin fabrics and textile waste intertwined with crochet.

Círculo Yarns at Paris Fashion Week, through a collab with designers Gustavo Silvestre and Kevin Germanier.

Círculo Yarns at the Salvador Carnival, in costumes dressed by Daniela Mercury, through a collab with designers Gustavo Silvestre and Kevin Germanier.

“Pendientes Gaia” collab by Círculo and the company Blumenau Iluminação, connected by SCMC (Santa Catarina Moda e Cultura; “Santa Catarina Fashion & Culture” in English), with a collection of lamps inspired by Brazilian culture, which combines materials with our Barroco Maxcolor yarn.

Present at H+H Americas, held in Chicago (USA), one of the main craft trade fairs in the world, and at H+H Cologne, in Cologne (Germany), the main fair for innovations and trends in the textile design sector.



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Governance

We believe that good governance is the basis for building lasting businesses, anchored in ethics and integrity.

CIRCULO

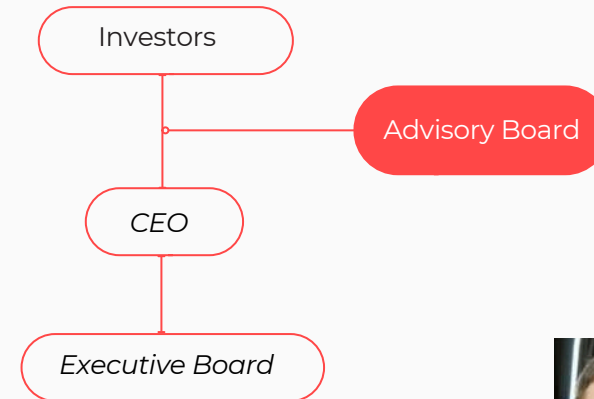
Governance structure

Círculo is part of the Lince Group, which also comprises the companies Lince Participações and Plasvale. Founded in 1980, Lince Participações is responsible for monitoring the implementation of strategic and operational plans, in addition to centralizing the development of corporate systems, legal advice, intermediation and business consulting. It also acts as the group's tech business vertical. Plasvale operates in the manufacturing and sale of household utensils.

We are a private corporation, with good transparency, governance and reporting structure practices. Our Advisory Board was created in the second half of 2023 and is currently in the structuring phase. The position of CEO and the Executive Board are occupied by market professionals, recognized in their areas of expertise.

Find out more about the Lince Group:

www.lince.com.br



In 2023, we went through an important leadership transition, in which Osni de Oliveira Junior, Marketing Director at the time, took over as CEO to replace José Altino Comper, who after 34 years dedicated to Lince Group (28 years at Círculo) joined the Lince Group Advisory Board.



As a guideline, we work with strategic planning for a period of up to 3 years ahead, reviewed annually and led by an independent consultancy company, which actively participates in the preparation of this plan.

Based on the premises established in the strategic planning, we annually prepare an Operational Plan, then submit it for evaluation by shareholders, and once approved, it is implemented in all departments of the Company, serving as a guide for achieving established strategic goals. The same consultancy company that participates in the preparation of the strategic planning also monitors the implementation of the operational plan on a monthly basis.

This management model encourages building a broad vision of the future, which identifies opportunities and anticipates risks for the business.

ESG Governance

Connected to global challenges and opportunities in the social and environmental spheres, we began in 2023 an important movement in the implementation of the ESG agenda at Círculo by creating a sustainability committee.

The working group is made up of professionals from marketing, people management, production, quality, laboratory and environmental areas. This initiative, still in the consolidation phase, aims to strengthen ESG governance in the company and lead to the integration of the culture and vision of sustainability into the business.





**We believe in
businesses that
prosper, done the
right way, with
integrity.**

Business ethics

Ethics and integrity are key pillars for Círculo, after all, just as important as achieving results is the way we achieve them. We have adopted a series of administrative, accounting and legal procedures, in order to strengthen business integrity, in addition to a Conduct Manual that reflects our values and describes the behaviors we expect from our employees in the day-to-day operations and in the interaction and relationship with the various audiences connected to the company.

Conduct Manual

The Conduct Manual, which was released in 2023, was made available to all teams and is shared with new employees in the onboarding process, attached to the Onboarding Manual. The leadership team was trained on the manual content, with the aim of enabling them to share the information with their teams. Combating sexual harassment and other forms of violence were also discussed at SIPAT (Internal Accident Prevention Week) for all employees.

In the manual, we reinforce our position on topics such as respect for diversity, human rights, conducting honest business that respects environmental legislation, information confidentiality, data protection, ethics in relationships with third parties, action against discrimination, harassment, forced and child labor.

To report any situation that does not comply with the Manual, we provide a reporting channel via email and the Syync app, where anyone can report anonymously or in person in the People Management department.

Email reporting channel:

canaldedenuncias@circulo.com.br



All reports received are investigated by a committee composed by the People Management and Legal areas, which define the appropriate treatment and give a feedback to the complainant, when identified. In 2023, there were 6 reports; 5 reports in person and 1 anonymously via Syync.

Integrity in practice

We believe that good governance, which brings integrity to the business, is synonymous with transparency and happens with the implementation of policies and procedures in the company's day-to-day operations. Our financial statements are annually audited by an independent auditing company, and the company's financial transactions are carried out only with institutions with a high level of reputation and reliability in the national financial system. We are a 100% compliant organization, with strict control over the calculation and collection of taxes and duties.

The Company has an internal legal team and we also count on a renowned independent consulting company, MMSO (Machado Meyer, Sendcaz and Opice Advogados Associados), from São Paulo, for tax, civil and labor issues, in order to validate and safeguard good business practices. In line with the risk management strategy, we have acquired several types of insurance (property insurance with coverage for lost profits, transport, civil liability, group life and D&O), in order to ensure more security to our operations.

In the relationship with suppliers, we adopt draft supply and service agreements, which are previously validated by the Legal department and managed through our own system. We also have an internal rule to request quotes from at least 03 suppliers, whenever possible, so that we can make the best choice on the market.

Data and information security

At Círculo, we are committed to protecting the data and privacy of the audiences connected to us. In 2023, we reinforced the integration of practices in line with the Brazilian General Data Protection Law ("LGPD"), in addition to building a culture and knowledge on the topic among our employees, offering several contents, booklets and video tutorials.

In the year, we had no complaints or violation of privacy and loss of data from customers or other stakeholders of Círculo.



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Environmental Management

Developing business responsibly is a non-negotiable commitment, and leads our interaction with natural resources.

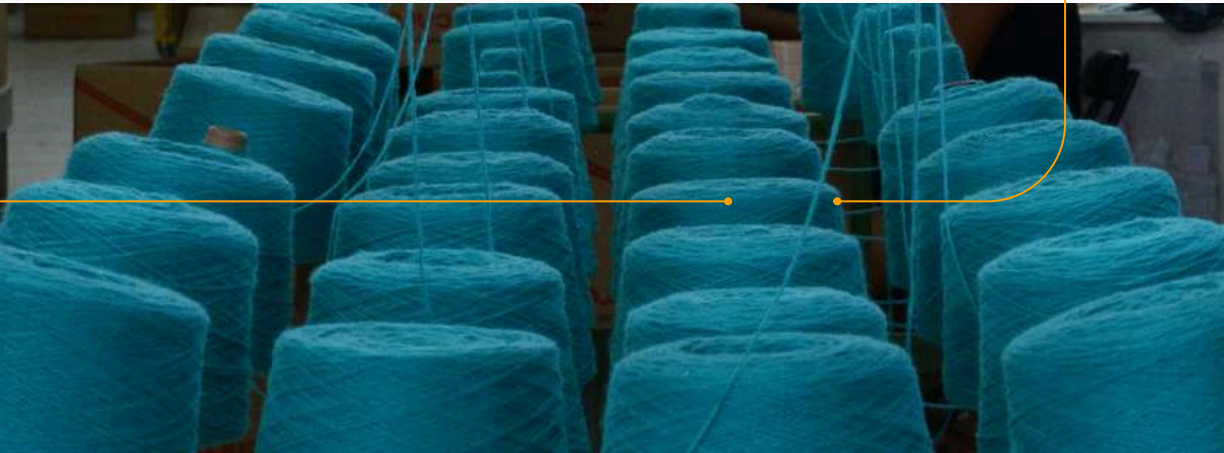
CIRCULO

Caring for the environment is part of our daily lives.

Connected to global environmental challenges, we establish responsible management, which aims to efficiently use natural resources in our operations, adopting measures to mitigate, reduce and avoid waste or pollution, always ensuring compliance with current legislation. Likewise, we are committed to finding solutions and improvements in our processes and products that care and respect the environment.

Noise management

The noise monitoring process is an annual practice conducted by a specialized company, which consists of assessments of the factory's internal areas and the surroundings of the manufacturing plant. Based on the mapping, we established measures, such as acoustic insulation, aiming to mitigate the effects of noise pollution, especially for the community close to the company.



Raw material and products

Cotton is the main raw material, used for 85% of the products. This natural fiber, originating from tropical and subtropical climates, is based on cellulose and is widely used in the fashion industry, and stands out for its main characteristic: softness.

We have adopted a series of standards and certifications related to the responsible production and use of cotton, reinforcing our commitment to promoting a fairer textile industry chain capable of coexisting and thriving in balance with the protection and regeneration of the environment.

Sou de Algodão

We have been part of the *Sou de Algodão* (I'm made of cotton) movement since 2020, a Brazilian initiative that was born in 2016 with the aim of raising awareness and promoting the adoption of sustainable practices in the textile industry. It points out the importance of cotton as a raw material, emphasizing the responsible, socially fair and eco-friendly production of this natural fiber.

The movement involves several agents throughout the cotton and textile industry production chain, from agricultural producers to fashion companies. The idea is to encourage conscious consumer choice, encouraging preference for products that have cotton as the main component, especially those that follow sustainable standards in their production.



OEKO-TEX Certification

For the second year in a row, we won the OEKO-TEX international certification, which recognizes products from the textile industry that do not contain hazardous substances that could cause harm to health. We are pioneers in the handcraft industry with this certification.

The certification brings together 17 independent institutes in Europe and Japan, and requires high quality standards, production traceability, process standardization, production control and efficient supplier management. The OEKO-TEX label covers white and dyed yarns and threads made from 100% non-recycled cotton, which represents 61% of the annual production volume.

Better Cotton Initiative

The Better Cotton Initiative is an international non-profit organization that works to improve global cotton production by influencing more environmentally responsible agricultural practices and fairer labor relations. At Círculo, we chose to purchase cotton certified by Better Cotton, a volume that represented 100% of the total non-recycled raw material purchased in 2023. A choice that strengthens our business and the entire cotton supply chain!

Natural Line

Our line of natural products, named 'Natural', does not use any chemicals for treatment. It is 100% raw cotton and has many thicknesses and size options. These are yarns produced without using water in the process.



Círculo's cotton path

- 1 Origin**

Cotton, our main raw material, originates from producers in the farms of the State of Mato Grosso, going through producer cooperatives such as Unicotton and Coamo, which continuously monitors the rules and standardization of cotton processing procedures, offering quality products recognized around the world.
- 2 Harvest**

The cotton is harvested with the support of high technology, ensuring more efficient processes. After the cotton is harvested, the plumes are separated from impurities and seeds, and then sent to Círculo.
- 3 Spinning**

At Círculo, the raw material (cotton) is transformed into yarn. This is done by various machines and equipment that efficiently clean the cotton by removing impurities, dead fibers and shorter fibers. Then we arrange the fibers in parallel to make the yarn uniform and soft with more resistance and shine.

- 4 Twist**

The thread goes to twisting, which is joining two or more strands of cotton thread. The twisted yarn is transformed into skeins with determined weights, and some of them undergo mercerization and dyeing.
- 5 Mercerization and dyeing**

Mercerization is applied to improve yarn strength, shine and dimensional stability. Dyeing consists of preparation, soaping and softening, and the main purpose is to impart color to the thread and improve its touch.
- 6 Packaging**

The cotton yarn is packaged in cones, skeins or hanks and is ready to reach our consumers!

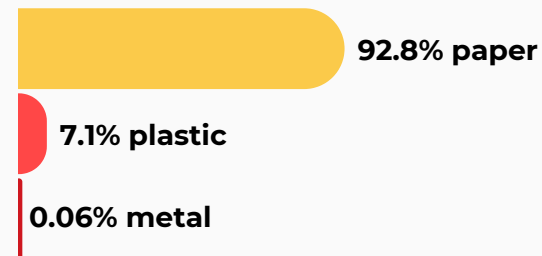


Waste

We have an active waste management, guided by the SWMP (Solid Waste Management Plan), ensuring correct separation and disposal, in addition to continuously focusing on optimization and reduction of material waste in our operations.

Because we understand our responsibility for the packaging used to protect, identify and deliver products to customers and consumers, which is discarded at the end, we adopted the model of environmental compensation with EuReciclo certification. Through partnership, we invested in cooperatives to maximize recycling. As a result, we offset 490.2 tons of waste in 2023, which corresponds to 30% of the total waste generated in the year.

Offset packaging:



In our operational processes, our largest volumes of waste are plastics, textile fibers and paper/cardboard, which are all recycled, then waste from the treatment of effluents, and ash and dust from boilers, both destined for controlled landfills, in accordance with legislation.

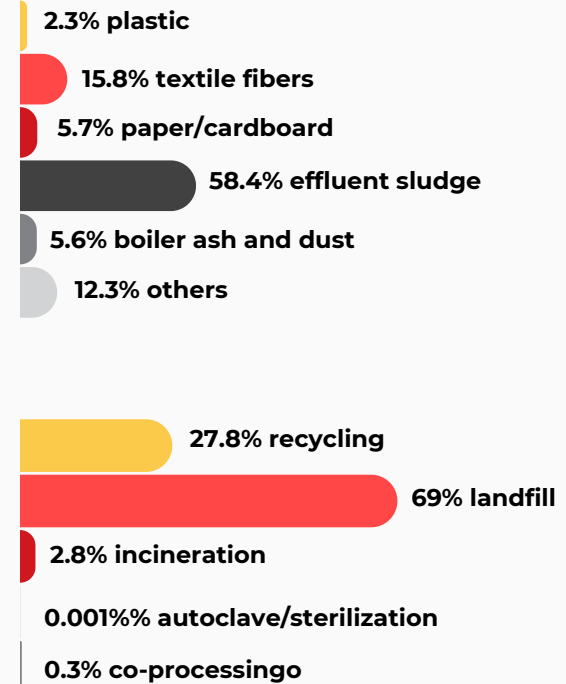


waste generated*

type of waste	tons	destination
Plastic	56.7	Recycling
Textile fibers	384.8	
Paper/cardboard	140.6	
Metal	61.7	
Mixing construction and demolition waste	40.2	
Sludge from biological wastewater treatment	1,434.2	Landfill
Ash and dust from boilers	136.7	
Other waste (e.g. non-recyclable toilet waste)	123.5	
Glass waste	0.5	
Waste from Health Services (outpatient)	0.03	
Packaging of any type, contaminated with dangerous substances	7.8	Co-processing
Sawdust, shavings, planing tapes, wood, etc.	69.2	Incineration

2,455.8

tons of waste generated in the year



*In 2023, 470 units of fluorescent, sodium and mercury vapor and mixed light lamps were also recycled.

Emissions

Every year we carry out the Greenhouse Gas Inventory, covering Scope 1, relating to direct emissions from own sources or those controlled by the organization, and Scope 2, relating to indirect emissions from the generation of purchased electrical and/or thermal energy. This mapping guides our action plans to adopt measures to reduce polluting gas emissions.

We got the GHG Protocol Silver Seal!

This is the most important national qualification that brings together standards, guidelines, tools and training for companies and governments to measure and manage greenhouse gas emissions responsible for global warming.

The seal reinforces our commitment to environmental management, in actions that promote efficiency and reduce negative impacts on the company's processes.

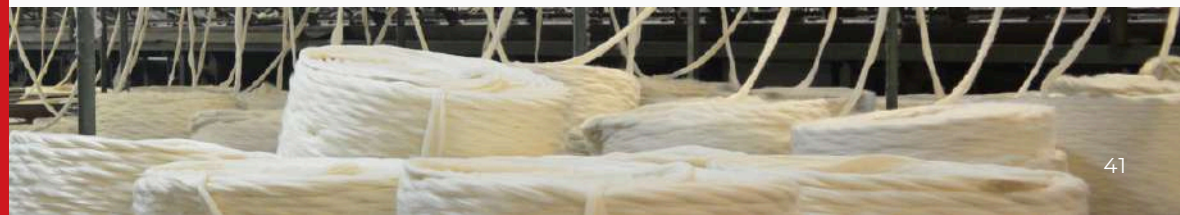
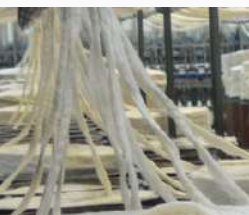
ton of emissions*

	2021	2022
Scope 1	1,159.8	868.5
Scope 2	1,773.9	588.3
Total	2,933.7	1,456.8
<hr/>		
Intensity**	0.32 ton CO2/ ton yarn	0.26 ton CO2/ ton yarn

**The variation in total emissions recorded in 2021 and 2022 was caused by the reduction in the company's production demand.*

***The calculation of emissions intensity considers the total tons of emissions divided by the total tons of yarn produced in the year.*

NOTE: The emissions for 2023 will be mapped in 2024, a process that will not be completed until the release of this report.



Energy consumption is one of the factors in the generation of polluting gas emissions. Our energy matrix is mainly made up of electricity, 100% acquired on the free market, natural gas and reforested wood chips, destined for boilers. We keep regular control and monitoring of the use of these resources, implementing process improvements and optimizations with a focus on energy efficiency.

Energy consumption

	2021	2022	2023
Purchased electricity (Mwh)	14,032.3	13,681.8	13,746.9
Non-renewable fuels (gas oil - liter)	31,375.0	16,944	11,447
Wood/chips for boilers (ton)	21,600	23,858	17,181
LPG (ton)	23.6	9.4	5.9



Air quality monitoring

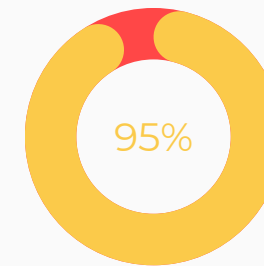
Air quality analysis is an important process for ensuring environmental compliance, as well as protecting operators and extending the life of equipment. We hire an accredited and licensed third-party company every six months to prepare an air analysis report, which is carried out in the company's boiler area, considering the parameters in accordance with Annex IV of CONAMA Resolution 436/2011, and then presented to the competent environmental body.

Water and effluents

Water is a key natural resource for our business, which is why we maintain strict controls on collection and consumption, as well as on the disposal of the effluents generated. We capture water from the Itajaí-açu River, which goes through an initial treatment process to establish the necessary cleaning parameters for use in the production process. After use, the effluent generated goes to treatment and then returns to the same body of water, ensuring the quality standards required by current regulations.

An important initiative in 2023 was the implementation of the Chemicals Committee, composed by different areas, with the aim of promoting greater efficiency in the use of inputs. This movement, in addition to cost reductions estimated at BRL 281,100, also provided an opportunity to optimize the volume of chemicals used, decreasing complexity in effluent treatment compared to 2022.

847.700 m³
of water collected



995% of the water collected is used in dyeing and processing, and 5% is used to generate steam, wash yards, bathrooms, etc.

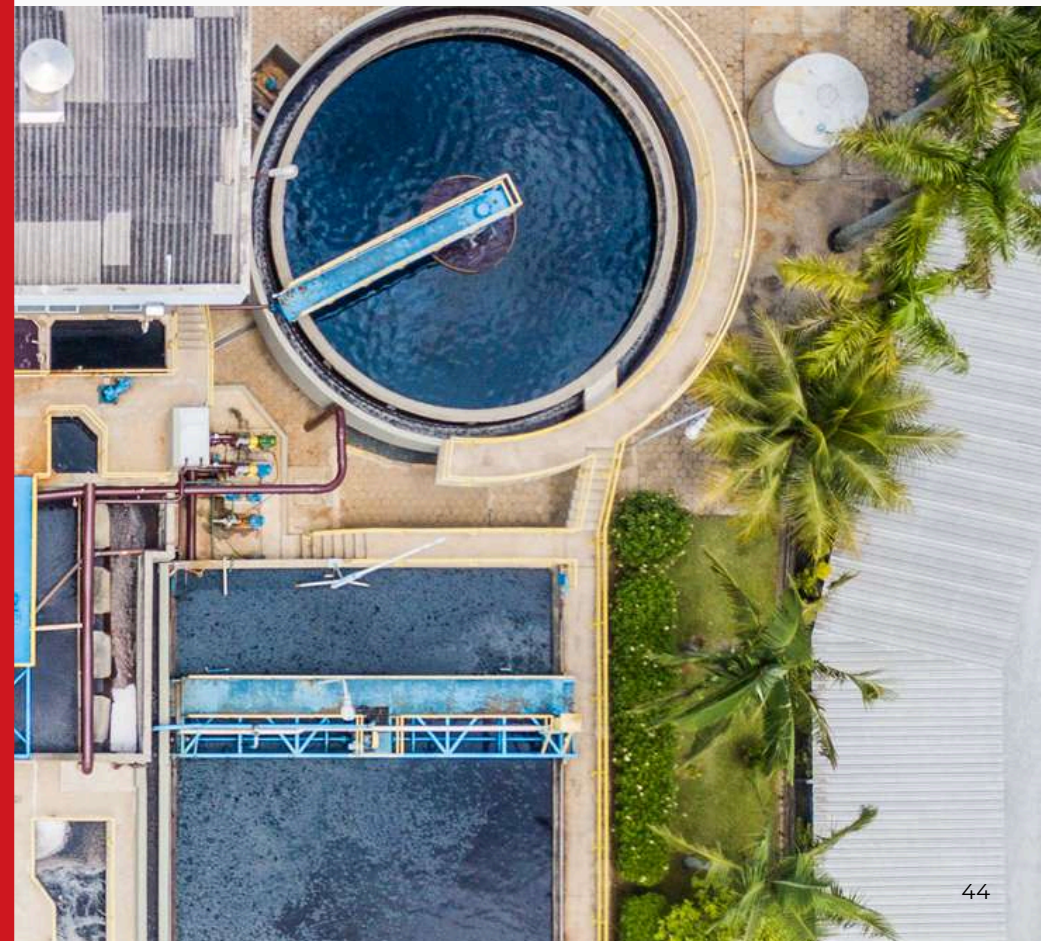
529.558 m³
of effluents



Responsible use of water!

We adopted a clean dyeing technique, known as Dye Clean. Currently, we are the only Brazilian yarn company that uses this process to dye certain colors of our products. Dye Clean allows reusing the water from the same bath in several dyeing processes, which eliminates the need for frequent changes, and can save up to 91% of water in the current stage.

Around 150 tons of yarn manufactured at Círculo have the Dye Clean technique applied at some stage of dyeing. This method also brings benefits such as reduced consumption of chemical products, reduced effluent salinization and lower demand for water collection.



- 06 -

Social Impact

We do business with purpose, with the aim of promoting a positive impact on the world and especially for the people connected with us.

CIRCULO

Employees

Our employees were the key players in all the transformations and outcomes achieved throughout our 85 years of history. We believe that, to build successful businesses, it is crucial to promote a safe work environment, strengthen positive relationships and provide development and well-being for employees.

Guided by its commitment to respecting people, one of Círculo’s key values is promoting the well-being of its employees. In 2023, we invested around BRL 4.4 million in projects related to health, education and engagement, providing benefits such as health plan, free meals, internal workshops, daycare assistance, celebration of the company anniversaries, Christmas dinner, among others. We have a Position and Salary Management Policy, ensuring salary definition based on good market practices and collective agreements.

We want to promote a fairer and more inclusive work environment, with equal pay.

1,291
employees



50% Men
50% Women

Men	646	50%
Women	645	50%
Men in leadership*	32	71.1%
Women in leadership*	13	28.9%
Up to 18 years old	31	2.4%
18 > 60 years old	1180	91.4%
Above 60	80	6.2%
White	794	61.5%
Brown	319	24.7%
Black	138	10.7%
Yellow	26	1.1%
Indigenous	14	1%

*Leadership includes directors, managers, coordinators and supervisors.

Effective communication with our teams!

In 2023, especially in the second semester, we improved Syync App, our internal communication platform. Today, it is our main channel for communications, dissemination of internal actions, registration in programs and Human Resources queries, promoting more effective communication and greater autonomy to employees. More than 100 communications were carried out through the platform in the second half of the year, which resulted in more than 27,000 views from employees.

During the year, we also reinforced an important listening and conversation practice with our employees: interviews upon termination of employment and interviews with employees with different lengths of service at the company. This practice, in addition to bringing people together and creating a relationship of trust, also helps us to map the work environment, leadership performance and opportunities for improvement. In 2023, we held around 513 conversations in this personal and individual format.

Care and well-being of our people

Throughout 2023, we promoted several initiatives focused on the care and well-being of our employees.

Free hot meal

We have been offering free hot meals for over a decade. This practice goes beyond what is required by law, fully covering the main meal cost and promoting healthy eating, without additional costs.

Childcare assistance

We offer a monthly allowance to help employees with daycare or babysitting costs. Through this initiative, we support mother employees in reconciling their work and personal lives.





Pink October Campaign

In October, the company runs a campaign aimed at women to emphasize the importance of preventive exams for breast cancer, and they have the opportunity to undergo free preventive exams. In 2023, 181 women joined the program. The initiative also included actions aimed at women's self-care and a space dedicated to the Women's Network to Combat Cancer, as well as discounts on laboratory tests, provided by the company's partner laboratory.

Conversation with people with disabilities

We hold bimonthly meetings for people with disabilities who are part of our teams. It is a welcoming group conversation, coordinated by a psychologist, which aims to strengthen emotional support and contributes to building an inclusive work environment, where each employee is valued and supported in their professional journey.

Círculo Mom Program

(Programa Mãe Círculo) It is a partnership between professionals such as nutritionists, psychologists, doctors, obstetric nurses and midwives who address topics related to the gestation period, in a special room prepared for Círculo's pregnant women. In 2023, we held 2 editions, with participation of 13 mothers.



Promotion and access to health

We offer a health plan for our employees and access to medical, psychological, social and nutritional services at the company's outpatient clinic, with face-to-face professionals and telemedicine services, through a partnership with the Anjos da Vida company. In 2023, we helped 124 people with psychological care and 89 people with nutritionist assistance. We also promote free flu vaccination for 843 employees. In addition, we extend benefits to employees' dependents, offering the possibility of contracting a health plan at a reduced cost and free care at our medical outpatient clinic.

Health Week

To celebrate World Health Day, on April 7th, we organized the Círculo Health Week! Our employees had the opportunity to talk to health professionals about topics such as massage, sleep hygiene, stress, and calculate their BMI (Body Mass Index).



AREL Association

The association AREL - Associação Recreativa das Empresas Lince (Lince Companies Recreational Association), located in the center of the city of Gaspar (SC) and close to Círculo, offers a place for leisure and well-being. Employees can join at an affordable cost, enjoying the association facilities that include a soccer field, party areas, kiosks and a children's playground, as well as services such as a restaurant, food truck and gym. A space for leisure, social interaction and health care.



Blue November Campaign

The Blue November campaign promoted the importance of the prostate exam. Throughout the month, we carried out educational actions and the promotion of preventive exam packages, aiming to raise awareness of the importance of prevention and self-care, impacting 156 men.

Yellow September Campaign

Based on the theme "All for life, uniting threads to take care of the mind", we celebrated the month of September with content and actions addressing mental health and preserving life. We also held an amigurumis workshop, in which employees were able to stimulate creativity, reduce stress and anxiety, develop motor coordination and increase concentration.



**we build bonds
of trust with our
teams, with care
and well-being.**

Health and safety at Work

The safety of our employees is a priority at Círculo, which is reflected in the motto "Zero Accidents" adopted by CIPA (Internal Accident Prevention Committee). To promote health in the workplace and reduce risks related to work, employees undergo regular occupational medical examinations, in addition to complementary exams.

In 2023, we implemented improvements focused on ergonomics, such as the implementation of an ergonomic mat, posture shifting and adjustments to workstations, in addition to training and communications, in order to guide employees on the possible causes and impacts of poor posture.

We have an Emergency Brigade in all work shifts. There are 90 volunteer employees, trained by a qualified company and the City Fire Department, who work in the company to prevent and fight fires, and ensure the integrity of employees during work.



In 2023, we hired a full-time brigade member, as required by new regulations, and maintained 16 volunteer brigade members, with rotating shifts on weekends, in order to ensure risk controls and mitigation 24 hours a day, every day.

The brigade members act promptly in fire risk situations, providing first aid to victims and guiding people in case of emergency evacuation.



CIPA (Internal Accident Prevention Committee) plays an important role in controlling and monitoring incidents, as well as assessing and implementing improvements to ensure safety in the workplace. During the year, we held training for CIPA and the Emergency Brigade, as well as for other employees, with the aim of strengthening the culture of safety at work.

The commitment to safety also extends to relationships with suppliers. All partners who carry out activities within Círculo's facilities participate in a mandatory integration with the security team, and receive permission to work only after verification of legal documentation and applicable records and controls.



Yellow May Campaign

We dedicated the month of May to raising awareness among our teams about preventing traffic accidents. We offered employees a free motorcycle mechanical checkup, installed a motorcycle simulator at the unit to provide the experience of driving in challenging traffic situations, and promoted content and tips on safe behavior in traffic.

SIPAT

The theme of the SIPAT (Internal Week for the Prevention of Accidents at Work) 2023 was "Live safely, work with confidence". One of the highlights of the week were the lectures on conservation of PPE (Personal Protective Equipment) to teach employees how to identify whether the equipment is capable of protecting their body.

We also provided visual acuity tests, and glucose and pressure measurements, in addition to addressing topics such as organization and financial health, oral health and moral harassment at work.

Development and access to education

By investing in corporate education, Círculo believes it is consolidating the necessary foundations for a sustainable and competitive future of the business.

Decola, our education platform, is one of the highlights of the year. This initiative, which was created in 2019, before the pandemic, was strongly boosted in the 2nd half of 2022, and was consolidated in 2023 as our main internal training and education tool.

We focused on on-site training paths for leadership development and distance learning content, developed internally and by partners. The digital platform, the courses and content available and easily accessible, allow our teams to be more aligned and prepared to deal with current and future challenges.

Decola was our main tool, both online and in person, to disseminate knowledge and our culture, in addition to representing a significant advance in our digital transformation journey. This initiative reinforces our commitment to developing people and cultivating a culture of continuous learning.



On Digital:



1,400
hits



274
active users

317*

certificates issued



140

contents available

118

enrollments

**Includes certificates issued for in-person courses.*



Leadership development

In 2023, we implemented a “development path” focused on our leaders, in order to prepare them to welcome and lead their teams. A journey of learning and growth with 14 meetings, 56 hours, and attendance of 36 leaders. The topics covered were diversity, inclusion, empathy, feedback, communication, culture management, among others.

Financial aid for vocational training courses

In 2023, we invested in the professional development of our employees, paying 75% of the costs of vocational courses in areas such as textiles, electricity and mechanics for 8 employees, totaling BRL 28,800. This practice aims to strengthen the team's skills and promote internal growth.



Craft techniques workshops

We provide training in craft techniques for employees, as well as the necessary materials and instructors to guide participants. With this action, in addition to encouraging the use of our products, we promote opportunities for employees to get extra income. We held 3 internal workshops in 2023, with 100 participants on average.

“Crocheting Granny Squares” Course

A dive into the art of crochet, focusing on the creation of crochet granny squares, a craft technique that uses a special needle to create patterns with interlocking stitches.

Embroidery Course on World Embroidery Day

It covered the cross-stitch technique, a sewing method that creates patterns by crossing stitches in an "X" shape.

Amigurumi Workshop - “My First Amigurumi”

Crochet or knitting technique, used to create small dolls and other objects, adding a playful and charming touch to crafts.



Youth in Action

The Youth in Action (*Jovem em Ação*) project, in partnership with Junior Achievement, aims to further prepare and develop students who participate in the Young Apprentices program for the labor market and for life. The meetings are led by volunteer Círculo employees, approaching topics such as financial basics, sustainable entrepreneurship, circular economy and conscious consumption.

The young participants attend theoretical classes at educational and training institutions, such as SENAI, CIEE or Gerar, complemented by hands-on activities in the company or in those partner institutions. In 2023, 26 apprentices participated in the 3 meetings held, and we had the collaboration of 10 volunteers, who shared their experience and were able to develop new skills while conducting the initiative. With this project, we want to provide not only learning, but also a positive bond between the young apprentices and Círculo.



Culture and engagement

We believe that, by fostering positive relationships and integration environments, we reinforce an inclusive organizational culture, based on trust, collaboration and empathy.

Throughout the year, we promote many actions and events, which aim to provide spaces for employees to share experiences, strengthen the teams' connection with the company, and encourage presence in the community. We celebrate welcome at the beginning of each year, employees' birthdays and seniority/length of service, as well as typical festivals and important dates, such as textile professional day, and much more!

Children's Day

To celebrate Children's Day, we organized the second edition of the "One Drawing, One Amigurumi" competition. Employees were invited to take home a sheet so that children up to 10 years old could let their creativity flow and create a drawing.

The kids created incredible drawings, and we selected 4 drawings to become adorable amigurumis. At the end, we gave these amigurumis to the participating children.



Solidarity quilt

Employees are invited to create several crochet squares, which are joined together to form blankets and quilts to be donated to institutions in the community. In 2023, we collected 2,159 crochet granny squares that resulted in 28 blankets, which were donated to Lar das Meninas (Girls' Home) and Lar dos Meninos (Boys' Home), a shelter for socially vulnerable children, in Gaspar (SC).

In addition to the social impact, this action provides employees with the opportunity to learn the art of crochet, a skill that enables them to get extra income and promotes therapeutic benefits.



Buy from Those Who Makes It

As a way of valuing talents within the company, we encourage a collaborative culture through the “Buy from Those Who Makes It” (Compre de Quem Faz) initiative, showing colleagues who produce crafts and other items manually, such as cookies, cakes, knitting and crochet pieces, etc., and promoting interaction and local commerce among employees.

Winter Clothing Campaign

To show solidarity with the community, we asked employees to donate coats and blankets during cold months. This campaign aims to contribute positively to alleviating the impact of winter on those who need it most.

Plastic Caps Campaign (*Tampinha Amiga*)

We demonstrate our commitment to environmental responsibility by involving employees in collecting plastic caps. The caps collected are donated to plastic recycling institutions. In 2023, 60 kilos were collected and donated to Sítio Dona Lúcia, an institution that welcomes and cares for abandoned animals.

Solidary Christmas

Through partnerships with local institutions, employees have the opportunity to “sponsor” children, committing to provide their Christmas gifts. We deliver the gifts to the selected institution, helping to create a more welcoming and affectionate Christmas environment for the children. In 2023, around 150 employees participated in this campaign, reaching 204 children. We also deliver gifts to the 503 children of employees, aged up to 12 years old.

Discover other initiatives with an impact on the community on page 61.



Network of artisans

The artisanal market is no longer just a source of extra income, but it is becoming the major source of income, with more and more fans discovering or rediscovering handmade work with different techniques, also renewing generations interested in learning and improving their knowledge and skills. According to IBGE (Brazilian Institute of Geography and Statistics), about 10 million people live off income from handicrafts. This sector represents around 3% of GDP (Gross Domestic Product) and generates approximately BRL 50 billion per year in Brazil.

Much more than offering quality products, our focus has always been on education and professionalization of artisanal activity. We share knowledge with the artisans who connect to Círculo, through social networks, communication channels and in-person events conducted by a network of 14 itinerant artisans.

Making handmade more accessible and a promising income opportunity.



We believe that handmade highly contribute to the economic development of our country, in addition to promoting women's empowerment through freedom of work, autonomy and financial independence, as they are the largest audience among our customers, who create and sell crafts to obtain their own money or complement family income.



World crochet day

For the date, which celebrates such manual technique and all its cultural, economic and social impact, we promoted workshops in different regions of Brazil to encourage artisans to connect and share experiences through crochet. The events were held in the states of São Paulo, Rio de Janeiro and Santa Catarina. In Gaspar (SC), Círculo's headquarters city, more than 50 artisans gathered in a crochet class.

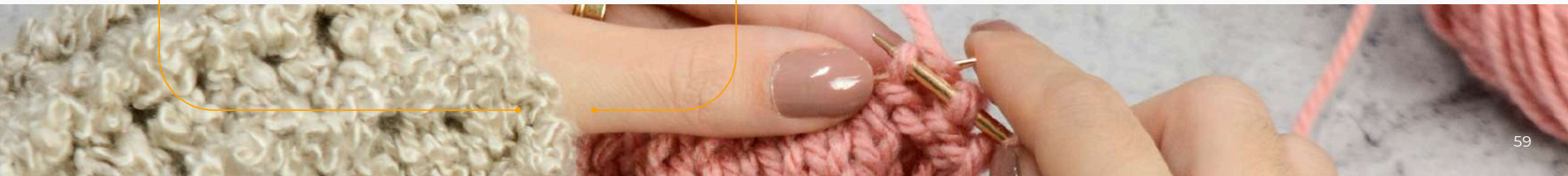
World knitting day

In June, the whole world celebrates World Knitting in Public Day. The purpose of this date is to gather knitting artisans so that they can interact and enjoy a moment together to share experiences, obtain new learning and improve their skills. To celebrate this art, we held free meetings in many cities to bring knitters together.

We offer step-by-step patterns to create fashion and decorative pieces, and give business and health tips, such as stretching before knitting or crocheting. In 2023, we launched the new Círculo program on Instagram, Ponto de Conexão (Connection Stitch), with topics related to the handmade universe, and invited special guests for lives led by artisan Bruna Szpisjak.

In addition to the Love Círculo app being the first app about crafts in Brazil, we released a new version available with Love Círculo Premium, where subscribers access exclusive content on trends, news, artisanal patterns, e-books, magazines and even video tutorials, always with the purpose of valuing and equipping our network of artisans.

The Love Círculo app also provides 165 free e-books, enhancing our educational content. These resources are intended to support the continuous development of artisans, allowing them to improve skills, explore new techniques and boost their careers in the artisanal sector. The strategy of providing free educational content reflects Círculo's commitment to training and promoting professional growth for the artisan community.



Participation in fairs

Fairs in this segment are great opportunities for artisans to learn, train and keep up to date with market news. In 2023, we attended important national fairs, such as Artesanal Sul in Porto Alegre (RS), Rio Artes Manuais in Rio de Janeiro (RJ), Artesanal Nordeste in Olinda (PE) and Mega Artesanal in São Paulo (SP), providing contents, courses and workshops.



+7,000

free step-by-step patterns

1,600

live sessions

165

e-books available digitally

+14,300 hits



+1,700

free in-person workshops and events
+29,000 people reached

1,800

video tutorials on YouTube
+ 3,500 views



Community

Contributing to the well-being of people in communities close to our operations and influencing positive transformations in society is part of our DNA, the legacy we want to build. In addition to employee engagement initiatives for donations and volunteering, we support many projects and make donations to institutions in the community. In 2023, we donated more than 3.4 tons of products, which is equivalent to around BRL 240,900.

Find out more about employee engagement actions in the community on page 56.



Ponto firme

We have been supporters of the *Ponto Firme* project since 2018, a project initiated by stylist and artist Gustavo Silvestre, which brings affection, design and aesthetics to some prisons and promotes social transformation through fashion and crochet for prisoners and ex-prisoners.

The pieces created by the participants are part of the official schedule of the São Paulo Fashion Week, and have already been exhibited at the Pinacoteca de São Paulo, at SP-Arte and in New York (USA). In 2023, we donated BRL 48,600 in financial contributions and materials to the project. We also celebrated our eighth participation in the São Paulo Fashion Week, presenting a collection inspired by artificial intelligence.

The 40 looks in the collection were created by the participants and graduates of the *Ponto Firme* project, at the Adriano Marrey Prison, and by students from *Escola Ponto Firme*, which welcomes immigrant women prone to or rescued from work similar to slavery in the fashion industry, socially vulnerable trans women, refugees, prisoners and ex-prisoners. The crochet pieces were finished with Náutico, Barroco Maxcolor, Encanto, Susi and Liza threads and yarns from Círculo, all materials donated by the company.

Purple November Campaign

To celebrate Purple November, a month dedicated to raising awareness about prematurity, we conducted a beautiful photo shoot at Hospital Santo Antônio, in the city of Blumenau, State of Santa Catarina, with babies from the Neonatal Intensive Care Unit and the Neonatal Intermediate Care Unit. For the photo session, each baby received an adorable purple crochet octopus, made by volunteers from *Casa da Amizade de Blumenau* (House of Friendship of Blumenau), through the “Hands that Create and Help” project (in Portuguese, *Mãos que Criam e Ajudam*). **60 Amigurumi yarn balls were donated to produce approximately 60 octopuses.**

Affection in amigurumi

50 volunteer artisans from Gaspar (SC) and Blumenau (SC), from the groups *Agulhas do Bem* and *Fio da Meada*, came together to make cute amigurumi dolls and animals, and cloth dolls, which were distributed as a Christmas gift to children and young people from APAE (Association of Parents and Friends of the Exceptional) in Gaspar and the oncology and children’s sector of Hospital Santo Antônio. **These 390 items were made with threads, yarns and fabrics donated by Círculo. We believe that handmade work inspires solidarity and delights those who receive a handmade gift**

Quadrinhos de amor

Quadrinhos de Amor is a non-profit cooperative that makes crochet blankets to donate to nursing homes in Vitória, Capital of the State of Espírito Santo (ES). **We supported the institution in a joint effort to make crochet granny squares for the blankets, with donation of 10 kilos of yarn and the presence of instructor Simone Eleotério, who is part of the Círculo team of artisans, to assist participants in stitching the pieces together.**

Círculo and Reasons to Believe

The *Razões para Acreditar* (Reasons to Believe) page is known for sharing stories of good, hope and overcoming, which inspire and encourage solidarity among readers with different social causes. Thinking about expanding this movement among the public that follows Círculo on social media, we invited Vicente de Carvalho, creator of the page, for a talk about the impact of his work and attitudes that can lead to major transformations. **This live session conversation on Círculo’s Instagram, mediated by artisan Bruna Szpisjak, had more than 4,200 views.**



Partnership with Knitted Knockers NGO

We believe that craftsmanship transforms lives, and the international Knitted Knockers NGO proves that this is true! The organization counts on volunteer artisans who knit free breast implants for women who have undergone mastectomy or other breast procedures.

Our Anne and Charme yarns are used to structure the pieces and, through a special partnership, we started selling the cotton threads for the project at a wholesale price. **Furthermore, in 2023, we donated around 30 kilos of yarn to the project, equivalent to 300 skeins.**

Direct donations and donations through incentive laws

incentive project/law	amount
FIA - Child and Adolescent Fund	BRL 13,500
FEI - State Fund for the Elderly	BRL 13,500
Social Development Fund	BRL 352,400
FUMDES - State Fund to Support the Maintenance and Development of Higher Education	BRL 281,900
Rouanet Act - Santa Cecília Choir, Gaspar (SC)	BRL 30,000
Military Police of Gaspar (SC) for PROERD - Educational Program for Drug and Violence Resistance	BRL 3,000
Women's Network to Fight Cancer, Gaspar (SC)	BRL 9,400
Total donations	BRL 703,800





Coordination

Sustainability Committee

Photos

Círculo Collection

Writing and Layout

Pupa - Communication,
Education & Sustainability

CÍRCULO