

2020

INTEGRATED REPORT

Globant ►

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Report profile

About the report

This report is meant to provide transparent and systemized information on our economic, social, and environmental performance to our stakeholders. It represents our sustainable management progress between January 1 and December 31, 2020.

It has been prepared in accordance with the Integrated Reporting Framework, the Global Reporting Initiative Standards (GRI) - core option, while using the Sustainability Accounting Standards Board (SASB) standards for Software and IT services as a reference. Our disclosures generically refer to Globant and all of its operations in the countries where it operates as the group of linked companies, detailed in the 20F. The parent company is Globant S.A.

The report discloses also Globant's commitment to the Sustainable Development Goals (SDG) that we identified related to our business model: quality education; gender equality; decent work and economic growth; industry, innovation and infrastructure; climate action; and partnership for the goals.

Finally, Globant is committed to the 10 principles of the UN Global Compact, incorporating into its strategies, policies, and procedures a culture of integrity to uphold its responsibility to human rights, gainful employment, anti-corruption, and the environment.

Sustainability Framework



**FUTURE CENTRIC
APPROACH**



**HIGH
PERFORMANCE**



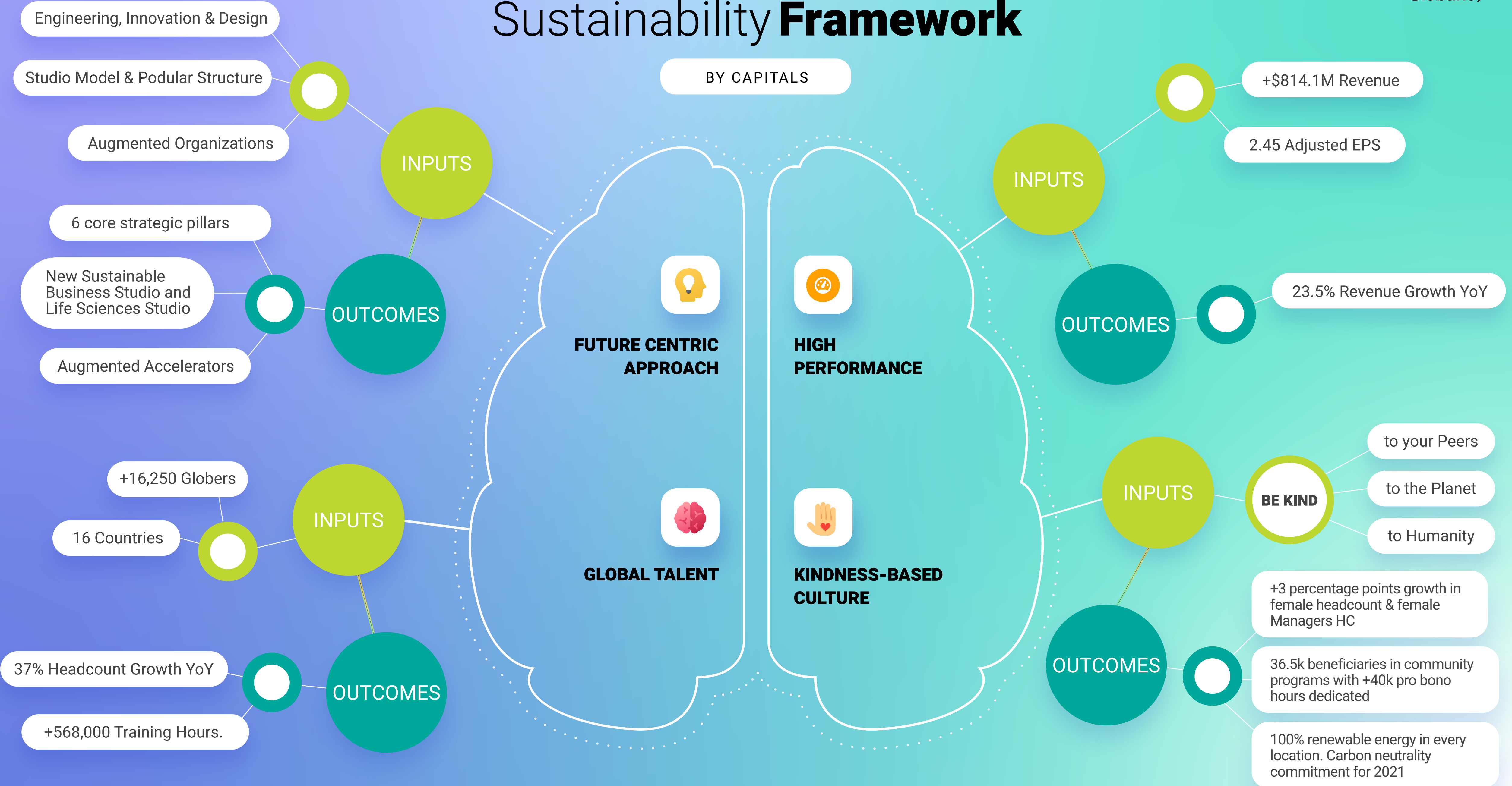
**KINDNESS-BASED
CULTURE**



GLOBAL TALENT

Sustainability Framework

BY CAPITALS



Performance

Economic value generated 2020

\$814.1M

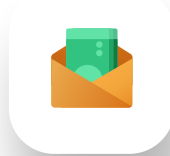
Compared to \$659.3M last year

	2020		2019
Salaries	\$594.5M	73%	\$459.7M
Other costs of operations	\$73.1M	9%	\$62.4M
Taxes	\$39M	5%	\$31.2M
Depreciations & interests	\$53.4M	6%	\$52M
Reinvested amount	\$54.2M	7%	\$54M



\$ 1,288.8M 87%

Assets



\$ 408.8M 64%

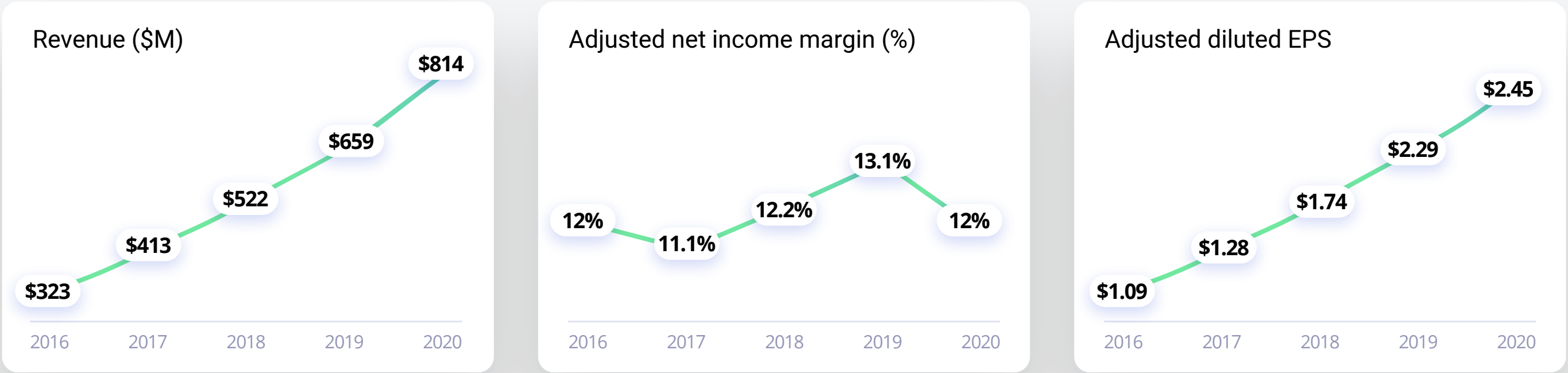
Liabilities



\$ 879.9M 101%

Net Worth

Financial Highlights



CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Year ended December 31 in thousands except percentages and per share data

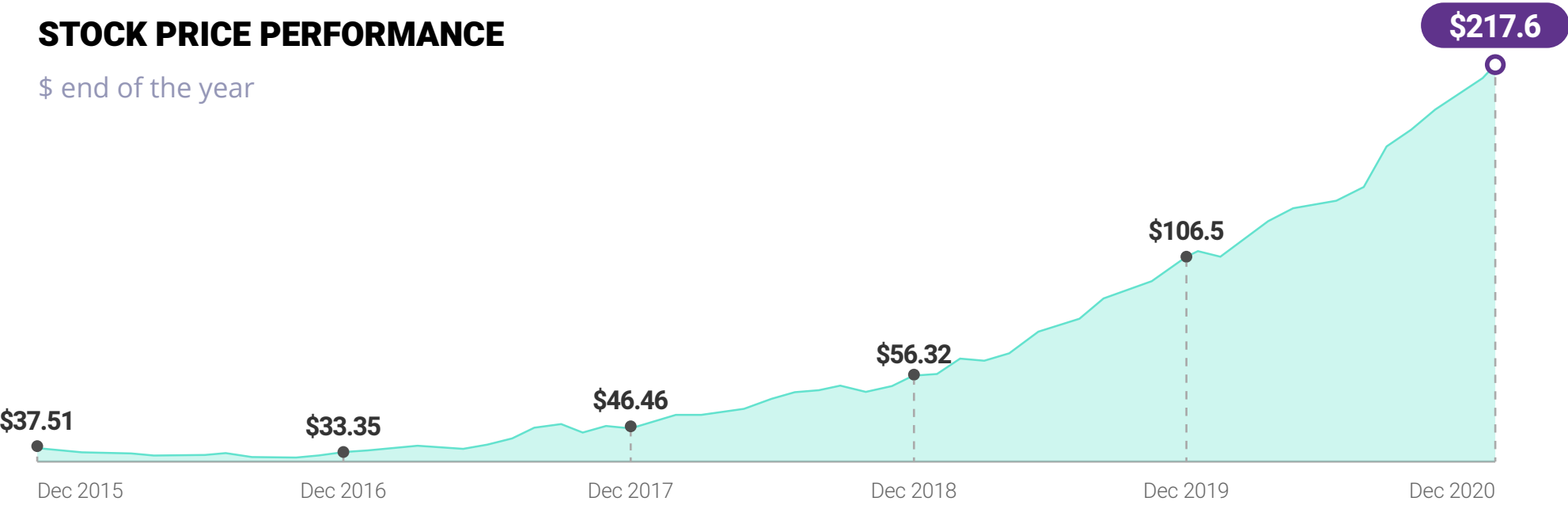
	2020		2019	
Revenues	814,139	100.0%	659,325	100.0%
Cost of revenues	(509,812)	-62.6%	(405,164)	-61.5%
Gross profit	304,327	37.4%	254,161	38.5%
Selling, general and administrative expenses	(217,222)	-26.7%	(172,478)	-26.2%
Net impairment losses on financial assets	(3,080)	-0.4%	(228)	0.0%
Other operating (expenses) income, net	(83)	0.0%	(720)	-0.1%
Profit from operations	83,942	10.3%	80,735	12.2%
Finance income	1,920	0.2%	958	0.1%
Finance expense	(10,430)	-1.3%	(6,653)	-1.0%
Other financial results, net	3,601	0.4%	(5,894)	-0.9%
Finance (expense) income, net	(4,909)	-0.6%	(11,589)	-1.8%
Share of results of investments in associates	(622)	-0.1%	(224)	0.0%
Other income & expense in net	(1,887)	-0.2%	110	0.0%
Profit before income tax	76,524	9.4%	69,032	10.5%
Income tax	(22,307)	-2.7%	(15,017)	-2.3%
Net income for the year	54,217	6.7%	54,015	8.2%

OTHER DATA

	2020	2019
Adjusted gross profit	318,195	266

STOCK PRICE PERFORMANCE

\$ end of the year



CASH FLOWS

For the year ended December 31,

	2020	2019
Net cash provided by operating activities	99,872	79,735
Net cash used in investing activities	(124,015)	(151,584)
Net cash provided by financing activities	241,546	56,712
Effect of exchange rate changes on cash and cash equivalents	(1,185)	252
Cash and cash equivalents at beginning of the year	62,721	77,606
Cash and cash equivalents at end of the year	278,939	62,721
Net (decrease) increase in Cash and cash equivalent at end of year	216,218	(14,885)

CAPITAL RESOURCES

For the year ended December 31,

	2020	2019
Capital Expenditures	53,083	27,776

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION DATA

As of December 31

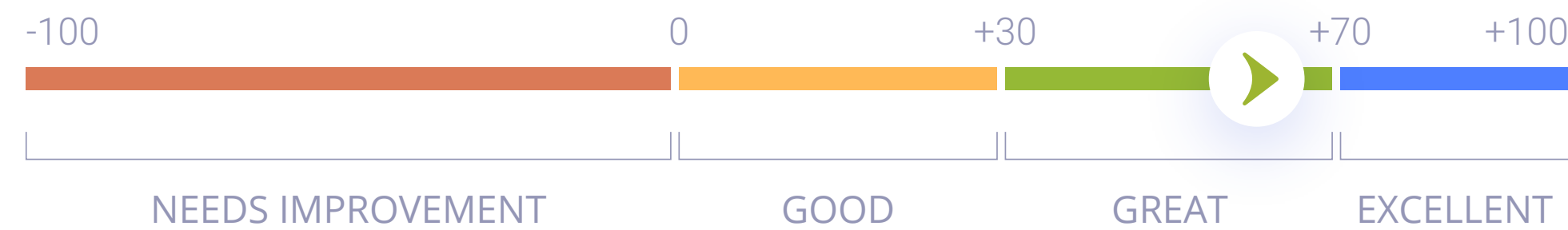
	2020	2019
Cash and cash equivalents	278,939	62,721
Investments (current & non-current)	19,899	20,198
Trade receiv		

Overall result

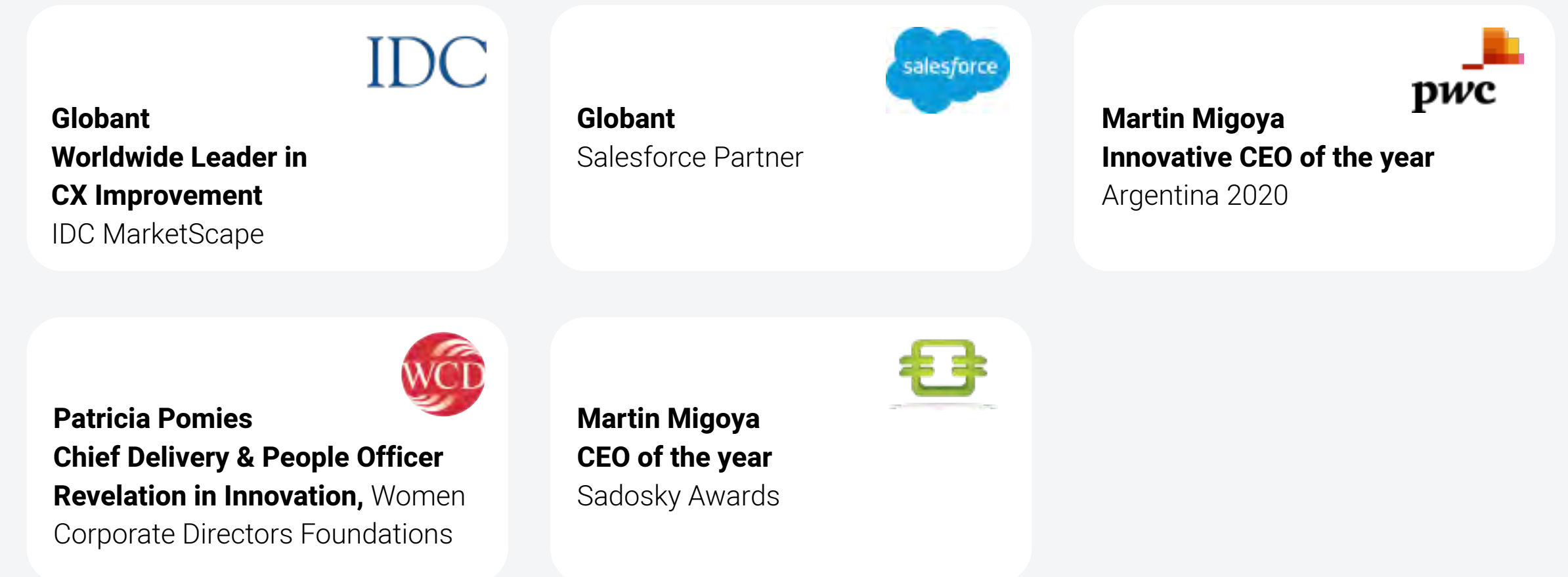
Customer survey ANNUAL AVERAGE 2020

NET PROMOTER SCORE (NPS)

+67



Recognitions



Certifications



Additional Information

Sustainability Index: GRI Content Index

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Standard / Framework Code	Disclosure	Disclosure Title	Page number / Answer	SDG / UN Global Compact Principle
Material Aspect: Anti-corruption				
GRI 103	103-1	Explanation of the material topic and its Boundary	8-9	P.10
GRI 103	103-2	The management approach and its components	8-9	P.10
GRI 103	103-3	Evaluation of the management approach	8-9	P.10
GRI 205	205-1	Operations assessed for risks related to corruption	Globant has a criteria in place to measure the probability that an act of corruption may occur. According to this measurement, the risk matrix we currently have indicates that the risk level that such an act may occur is low. No significant corruption risks have been identified.	P.10
GRI 205	205-2	Communication and training about anti-corruption policies and procedures	8-9	SDG 4 P.10
GRI 205	205-3	Confirmed incidents of corruption and actions taken	Zero incidents	P.10
Material Aspect: Anti-competitive Behavior				
GRI 103	103-1	Explanation of the material topic and its Boundary	8-9	
GRI 103	103-2	The management approach and its components	8-9	
GRI 103	103-3	Evaluation of the management approach	8-9	
GRI 206	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Zero incidents	

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Standard / Framework Code	Disclosure	Disclosure Title	Page number / Answer	SDG / UN Global Compact Principle
Material Aspect: Waste				
GRI 103	103-1	Explanation of the material topic and its Boundary	42	P.7-8-9
GRI 103	103-2	The management approach and its components	42	P.7-8-9
GRI 103	103-3	Evaluation of the management approach	42	P.7-8-9
GRI 306	306-2	Management of significant waste-related impacts	With the colaboration of different recycling cooperatives, civil society organizations and governmental officies we ´ve recycled 22,198.5 Kg of waste representing a 33.23% of our total waste. On the other hand, 66,807 kg of solid, non hazardous waste were disposed. No hazardous waste was generated.	P.7-8-9
Material Aspect: Environmental Compliance				
GRI 103	103-1	Explanation of the material topic and its Boundary	42	P.7-8-9
GRI 103	103-2	The management approach and its components	42	P.7-8-9
GRI 103	103-3	Evaluation of the management approach	42	P.7-8-9
GRI 307	307-1	Non-compliance with environmental laws and regulations	No sanctions reported	P.7-8-9
Material Aspect: Employment				
GRI 103	103-1	Explanation of the material topic and its Boundary	20-21	P.6
GRI 103	103-2	The management approach and its components	20-21	P.6
GRI 103	103-3	Evaluation of the management approach	20-21	P.6
GRI 401	401-1	New employee hires and employee turnover	7,011 new hires including organic and inorganic growth.	SDG 5,8 P.6
GRI 401	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	29-30	SDG 5,8 P.6
GRI 401	401-3	Parental leave	626 moms and dads took their leave; and 95% of them returned to work after their leave ended during 2020	SDG 5,8 P.6

Standard / Framework Code	Disclosure	Disclosure Title	Page number / Answer	SDG / UN Global Compact Principle
Material Aspect: Labor/Management Relations				
GRI 103	103-1	Explanation of the material topic and its Boundary	20-21	
GRI 103	103-2	The management approach and its components	20-21	
GRI 103	103-3	Evaluation of the management approach	20-21	
GRI 402	402-1	Minimum notice periods regarding operational changes	Globant does not have established by Collective Agreement or Law the obligation of a notice for operative changes. Depending on the case, sanity and critical reason are appealed to evaluate the changes.	SDG 8
Material Aspect: Occupational Health and Safety				
GRI 103	103-1	Explanation of the material topic and its Boundary	30	P.1-4
GRI 103	103-2	The management approach and its components	30	P.1-4
GRI 103	103-3	Evaluation of the management approach	30	P.1-4
GRI 403	403-1	Workers representation in formal joint management-worker health and safety committees	30	SDG 3-8 P.1-4
GRI 403	403-6	Promotion of worker health	30	SDG 3-8 P.1-4
Material Aspect: Training and Education				
GRI 103	103-1	Explanation of the material topic and its Boundary	20-22	P.6
GRI 103	103-2	The management approach and its components	20-22	P.6
GRI 103	103-3	Evaluation of the management approach	20-22	P.6
GRI 404	404-1	Average hours of training per year per employee	20-22	SDG 4-5 P.6
GRI 404	404-2	Programs for upgrading employee skills and transition assistance programs	22-30	SDG 4-5 P.6
GRI 404	404-3	Percentage of employees receiving regular performance and career development reviews	98% of total employees received a regular performance and career development review during 2020.	SDG 4 P.6

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