Background Screening
Trends India

JANUARY TO MARCH

Quantifying the trends and qualifying the nature of discrepancy patterns in India

First Advantage

GLOSSARY OF TERMS

Cases
One case indicates one candidate. It is denoted by a case reference number which is unique to that particular candidate.

Component(s)
Screening carried out for various phases of the candidate's background like Employment, Education, Address, etc. are termed as Components.

Employee Category
The designation at which the candidate worked/is working [current employment] in the organization.

Customer
The organization which authorizes First Advantage to conduct the verification.

Industry
The industry sector/segment under which the Customer falls. All abbreviations used are as per Indian standards of industry bifurcation and are easily accessible via the internet.

Possible Suspect
Any organization or company whose credentials might not be genuine.

Checks
One case can have one or more than one check based on the credentials being verified.

FOR EXAMPLE

First Advantage is conducting a background check for a candidate ABC [Case].

The check is authorized by a [Customer] say XYZ Corp. This customer belongs to the BFSI sector [Industry].

As per the customer's mandate, the screening components include latest Education and two previous Employments of the candidate. Here Education and Employment are [Components] & there are a total of three Checks - one Education and two Employment [Checks].

Depending on a predefined matrix followed by the customer, either as standardized by First Advantage or a customer customized matrix - a disconnect identified [Discrepancy] would be categorized as major or minor discrepancy, suspect, [Possible Suspect], etc.

Disclaimer:

This presentation contains "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking statements reflect our current views with respect to, among other things, our operations and financial performance. Forward-looking statements include all statements that are not historical facts. These forward-looking statements relate to matters such as our industry, business strategy, goals, and expectations concerning our market position, future operations, margins, profitability, capital expenditures, liquidity and capital resources, and other financial and operating information. In some cases, you can identify these forward-looking statements by the use of words such as "anticipate," "assume," "believe," "continue," "could," "estimate," "expect," "intend," "may," "plan," "potential," "predict," "project," "future," "will," "seek," "foreseeable," "target," "guidance," the negative version of these words, or similar terms and phrases.

These forward-looking statements are subject to various risks, uncertainties, assumptions, or changes in circumstances that are difficult to predict or quantify. Such risks and uncertainties include, but are not limited to, the following: the impact of COVID-19 and related continuously evolving risks on our results of operations, financial position, and/or liquidity; our operations in a highly regulated industry and the fact that we are subject to numerous and evolving laws and regulations, including with respect to personal data and data security; our reliance on third-party data providers; negative changes in external events beyond our control, including our customers' onboarding volumes, economic drivers which are sensitive to macroeconomic cycles, such as interest rate volatility and inflation, geopolitical unrest, and the COVID-19 pandemic; potential harm to our business, brand, and reputation as a result of security breaches, cyber-attacks, or the mishandling of personal data; the continued integration of our platforms and solutions with human resource providers such as applicant tracking systems and human capital management systems as well as our relationships with such human resource providers; disruptions, outages, or other errors with our technology and network infrastructure, including our data centers, servers, and third-party cloud and internet providers and our migration to the cloud; our ability to obtain, maintain, protect and enforce our intellectual property and other proprietary information; our indebtedness could adversely affect our ability to raise additional capital to fund our operations, limit our ability to react to changes in the economy or our industry, and prevent us from meeting our obligations; and our Sponsor (Silver Lake Group, L.L.C., together with its affiliates, successors, and assignees) controls us and may have interests that conflict with ours or those of our stockholders.

For additional information on these and other factors that could cause First Advantage's actual results to differ materially from expected results, please see our Annual Report on Form 10-K, filed with the Securities and Exchange Commission (the "SEC"), as such factors may be updated from time to time in our filings with the SEC, which are accessible on the SEC's website at www.sec.gov. The forward-looking statements included in this presentation are made only as of the date of this presentation, and we undertake no obligation to publicly update or review any forward-looking statement, whether as a result of new information, future developments, or otherwise, except as required by law.

We are serving innovation through integrated technological developments and digital screening solutions.

FOREWORD

Dear Readers,

In the year 2022, as we look at areas to improve and deepen our vertical and regional go-to-market strategies, we will concurrently work to enhance our ability to cost-effectively and quickly, access higher quality data. First Advantage goal is to bring market innovative technologies, implement modern architectures, and produce leading API frameworks — all while driving high customer satisfaction and creating a positive applicant experience.

With the popularity of remote working, businesses are looking beyond macro trends like the need to manage company risk and assure compliance in the recruiting process and focusing on micro-trends like continuing criminal records check and social media screening.

At First Advantage, our primary focus is on improving client onboarding experience, lowering delivery cycle times, and enhancing quality performance.

Highlights of Q1-22

- In Q1-22, industries such as BFSI, Retail, and Telecom showed substantially greater discrepancy percentages than the overall average of 9.6 percent.
- Discrepancy percentage in the BFSI sector decreased to 18.6 % in Q1-22 as compared to 21.12 % in Q4-21.
- For Employment Verifications IT, BFSI and Consulting sectors have shown higher inclination towards alternate modes of verification.

As we continue to plan and execute our FA strategy, Our vision is to enable "Hire Smarter Onboard Faster" for our customers with advanced product and technology roadmaps.

Please feel free to drop me a note in case you are looking for any specific information in our next trends report and we will do our best to incorporate them.

Always, proud to be of service to you!

AMIT SINGH
Head- Commercial, First Advantage India
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First Advantage

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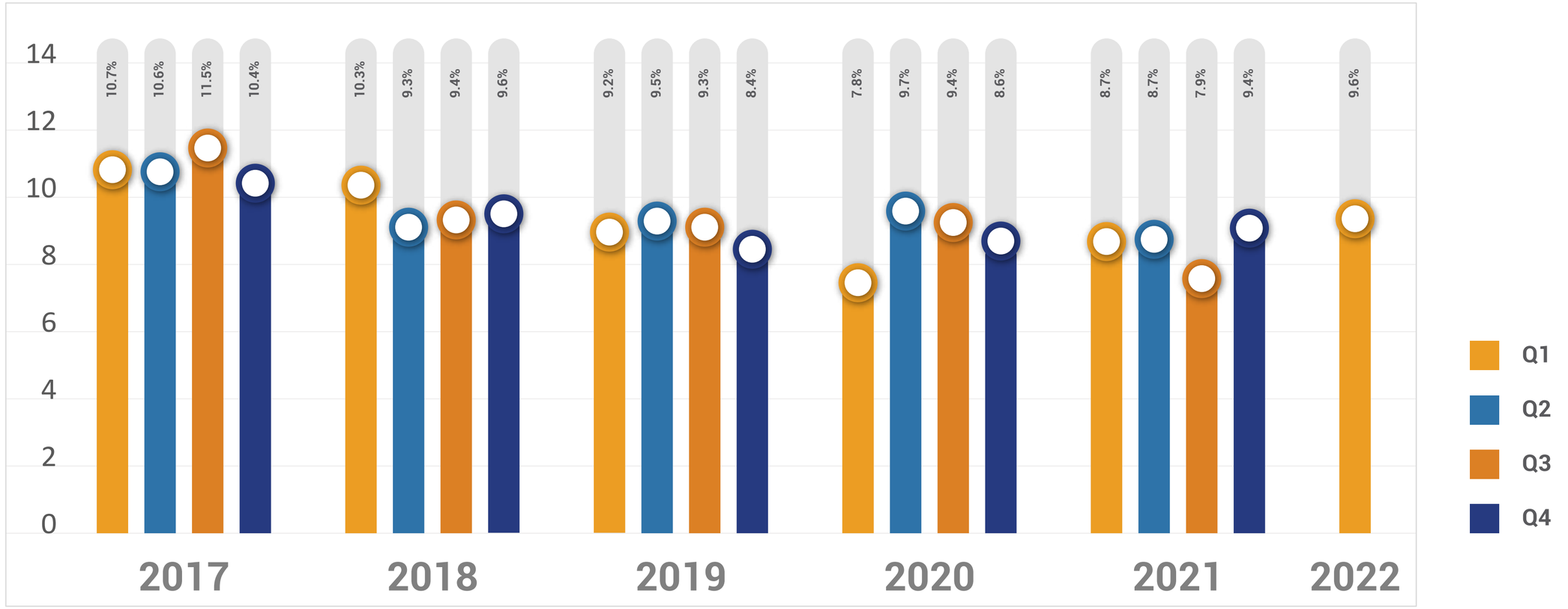
CASE LEVEL TREND

1.A. Discrepancy Percentage - By Quarter [Q4-21 to Q1-22]



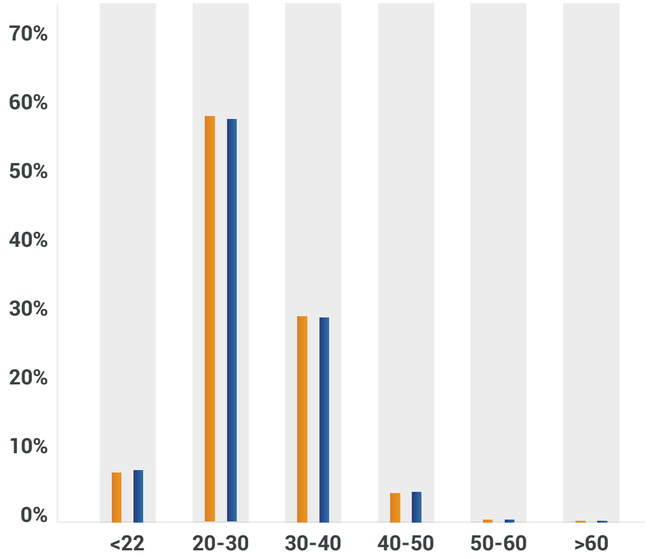
CASE LEVEL TREND

1.B. Discrepancy Percentage - By Age [Q4-21 to Q1-22]

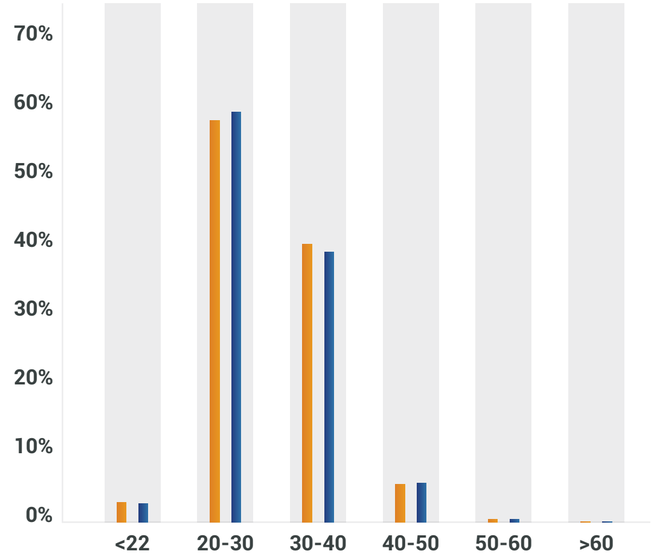
In Q1'22, the majority of the candidates screened were between the ages of 22 and 30.

Candidate screenings for those aged 40 to 50 years old jumped by 5%.

The majority of the applicant' discrepancy data came from the age bracket of 22 to 30 years old.



Screenings by Age



Discrepancy by Age

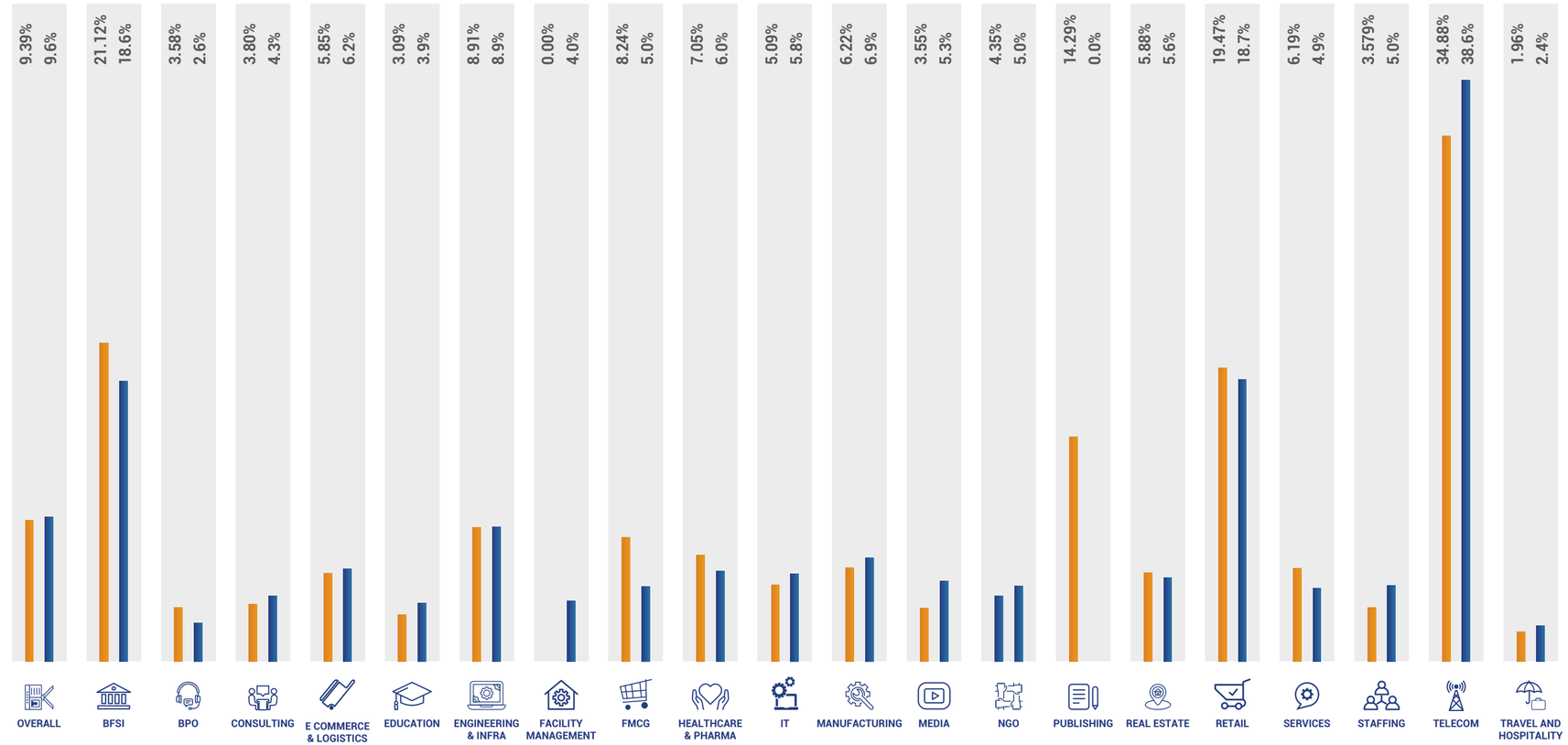
Q4-21 Q1-22 Discrepancy %

CASE LEVEL TREND

1.C. Discrepancy Percentage - By Industry [Q4-21 to Q1-22]

In Q1-22, industries such as BFSI, Retail, and Telecom showed substantially greater discrepancy percentages than the overall average of 9.6 percent.

When compared to Q4-21, the BFSI and retail industries experienced greater differences.



CASE LEVEL TREND

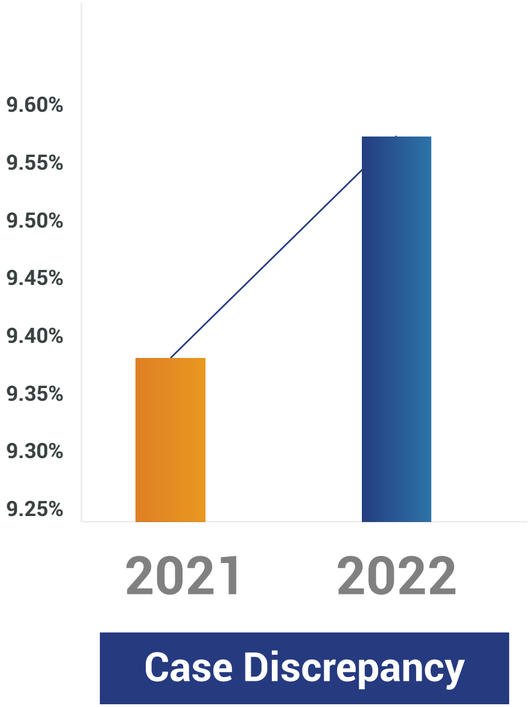
1.D. Case and Component Discrepancy Percentage [Q4-21 to Q1-22]

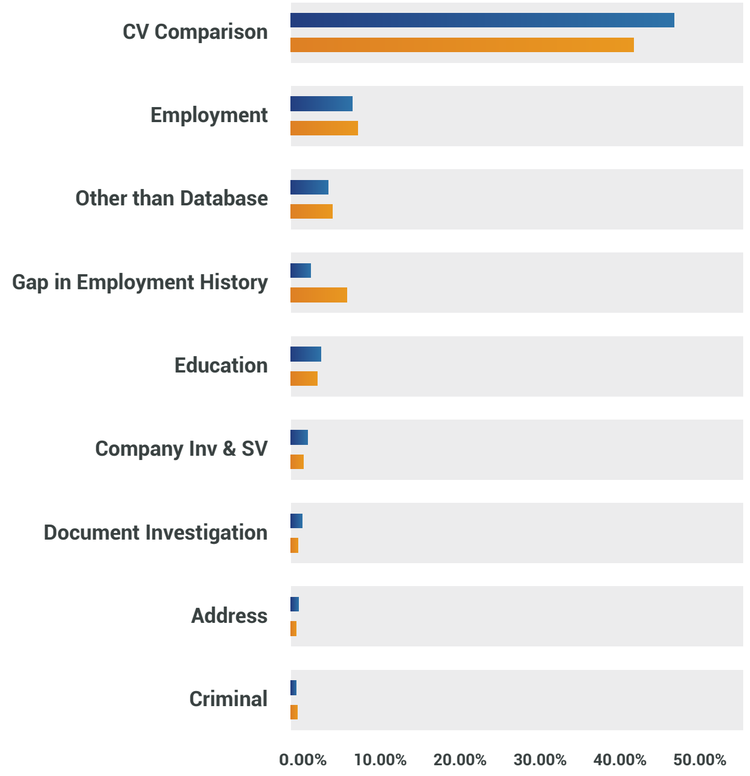
Case Discrepancy - Over 10% of candidates screened in Q1 2022 presented inaccurate information, i.e. a jump of 2% as compared to Q4-21.

CV comparison revealed a significant increase in inaccurate information given by applicants, an increase of 11% in Q1'22 compared to Q4'21.

Address discrepancy increased by 56% for BFSI.

Increased difference in address and education screenings for telecom by 24% and 3%, respectively.





CASE LEVEL TREND

2.A. Discrepancy Percentage - By Industry by Component Education [Q4-21 vs Q1-22]

	EDUCATION	BFSI	BPO	CONSULTING	E COMMERCE & LOGISTICS	ENGINEERING & INFRA	FMCG	HEALTHCARE & PHARMA	IT
Q4-21	1.23%	10.93%	0.60%	0.36%	2.07%	1.13%	1.53%	0.93%	0.49%
Q1-22	1.29%	11.33%	0.38%	0.42%	2.86%	1.09%	1.81%	0.73%	0.51%

BFSI, IT, Consulting, E-Commerce & Logistics, and FMCG, industries showed a rise in discrepancy in Q1-22 against Q4-21.

CASE LEVEL TREND

2.A. Discrepancy Percentage - By Industry by Component Education [Q4-21 vs Q1-22]

JANUARY TO MARCH

	MANUFACTURING	MEDIA	PUBLISHING	REAL ESTATE	RETAIL	SERVICES	STAFFING	TELECOM	TRAVEL AND HOSPITALITY
Q4-21	0.81%	1.40%	7.69%	0.54%	10.38%	0.00%	0.38%	2.99%	1.96%
Q1-22	0.65%	0.54%	0.00%	0.00%	10.65%	0.27%	1.08%	3.87%	1.31%

CASE LEVEL TREND

2.B. Discrepancy Percentage - By Industry by Component Employment [Q4-21 to Q1-22]

JANUARY TO MARCH

	EDUCATION	BFSI	BPO	CONSULTING	E COMMERCE & LOGISTICS	ENERGY	ENGINEERING & INFRA
Q4-21	0.00%	9.65%	4.29%	3.98%	2.97%	2.70%	7.24%
Q1-22	3.13%	9.56%	3.28%	4.09%	7.09%	1.64%	6.20%

Education, Consulting, E-Commerce & Logistics, and Manufacturing sectors leads to rise in discrepancy in Q1-22 compared to Q4-21.

CASE LEVEL TREND

2.B. Discrepancy Percentage - By Industry by Component Employment [Q4-21 to Q1-22]

JANUARY TO MARCH

	FACILITY MANAGEMENT	FMCG	HEALTHCARE & PHARMA	IT	MANUFACTURING	MEDIA	NGO
Q4-21	9.09%	5.60%	7.98%	7.58%	4.95%	2.44%	10.53%
Q1-22	18.18%	3.94%	6.72%	6.81%	5.16%	4.76%	0.00%

CASE LEVEL TREND

2.B. Discrepancy Percentage - By Industry by Component Employment [Q4-21 to Q1-22]

	REAL ESTATE	RETAIL	SERVICES	STAFFING	TELECOM	TRAVEL AND HOSPITALITY
Q4-21	5.56%	12.27%	10.00%	4.66%	17.32%	5.87%
Q1-22	2.56%	8.63%	5.56%	4.81%	15.17%	5.71%

CASE LEVEL TREND

2.C. Discrepancy Percentage - By Industry by Component Address [Q4-21 to Q1-22]

JANUARY TO MARCH

	EDUCATION	BFSI	BPO	CONSULTING	E COMMERCE & LOGISTICS	ENGINEERING & INFRA	FMCG
Q4-21	0.00%	1.11%	0.00%	0.02%	0.00%	0.00%	1.25%
Q1-22	0.49%	1.73%	0.05%	0.03%	0.55%	0.55%	4.13%

Sectors like BFSI, E-Commerce & Logistics, FMCG, and Telecom have demonstrated a significant increase in discrepancy in Q1-22 compared to Q4-21.

CASE LEVEL TREND

2.C. Discrepancy Percentage - By Industry by Component Address [Q4-21 to Q1-22]

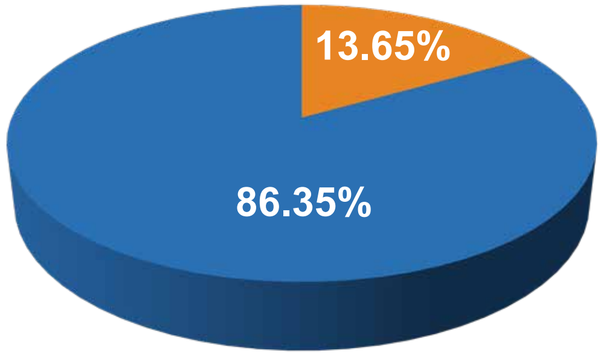
JANUARY TO MARCH

	HEALTHCARE & PHARMA	IT	MANUFACTURING	RETAIL	STAFFING	TELECOM	TRAVEL AND HOSPITALITY
Q4-21	0.23%	0.59%	0.97%	8.84%	0.38%	14.63%	0.03%
Q1-22	0.44%	0.57%	0.64%	7.89%	0.00%	18.11%	0.04%

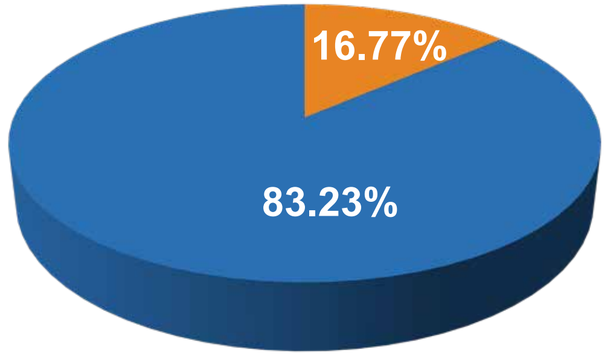
CASE LEVEL TREND

3.A.1. Alternate Modes Of Verification: Component Employment [Q4-21 to Q1-22]

17 out of every 100 Employment Verifications were conducted through the alternate modes of verification.



Q4-21



Q1-22

STANDARD ALTERNATE

CASE LEVEL TREND

3.A.2. Alternate Modes Of Verification: Component Employment [Q4-21 to Q1-22]

	EDUCATION		BFSI		BPO	
	STANDARD	ALTERNATE	STANDARD	ALTERNATE	STANDARD	ALTERNATE
Q4-21	94.85%	5.15%	91.95%	8.05%	93.07%	6.93%
Q1-22	88.58%	11.42%	88.14%	11.86%	89.57%	10.43%

In Q1-22 sectors like BFSI, IT Consulting, BPO, E Commerce & Logistics, FMCG to name a few, are accepting a higher percentage of alternate modes of verification compared to others.

CASE LEVEL TREND

3.A.2. Alternate Modes Of Verification: Component Employment [Q4-21 to Q1-22]

	CONSULTING		E COMMERCE & LOGISTICS		ENERGY	
	STANDARD	ALTERNATE	STANDARD	ALTERNATE	STANDARD	ALTERNATE
Q4-21	93.18%	6.82%	85.54%	14.46%	84.38%	15.63%
Q1-22	88.88%	11.12%	86.79%	13.21%	94.55%	5.45%

CASE LEVEL TREND

3.A.2. Alternate Modes Of Verification: Component Employment [Q4-21 to Q1-22]

	ENGINEERING & INFRA		FMCG		HEALTHCARE & PHARMA	
	STANDARD	ALTERNATE	STANDARD	ALTERNATE	STANDARD	ALTERNATE
Q4-21	78.99%	21.01%	81.17%	18.83%	89.30%	10.70%
Q1-22	72.46%	27.54%	85.58%	14.42%	84.75%	15.25%

CASE LEVEL TREND

3.A.2. Alternate Modes Of Verification: Component Employment [Q4-21 to Q1-22]

	IT		MANUFACTURING		MEDIA	
	STANDARD	ALTERNATE	STANDARD	ALTERNATE	STANDARD	ALTERNATE
Q4-21	81.45%	18.55%	85.95%	14.05%	57.99%	42.01%
Q1-22	78.84%	21.16%	86.22%	13.78%	67.57%	32.43%

CASE LEVEL TREND

3.A.2. Alternate Modes Of Verification: Component Employment [Q4-21 to Q1-22]

	NGO		REAL ESTATE		RETAIL	
	STANDARD	ALTERNATE	STANDARD	ALTERNATE	STANDARD	ALTERNATE
Q4-21	100.00%	0.00%	93.16%	6.84%	73.33%	26.67%
Q1-22	85.71%	14.29%	79.41%	20.59%	84.98%	15.02%

CASE LEVEL TREND

3.A.2. Alternate Modes Of Verification: Component Employment [Q4-21 to Q1-22]

	SERVICES		STAFFING		TELECOM	
	STANDARD	ALTERNATE	STANDARD	ALTERNATE	STANDARD	ALTERNATE
Q4-21	93.90%	6.10%	93.29%	6.71%	93.27%	6.73%
Q1-22	81.55%	18.45%	90.47%	9.53%	90.81%	9.19%

CASE LEVEL TREND

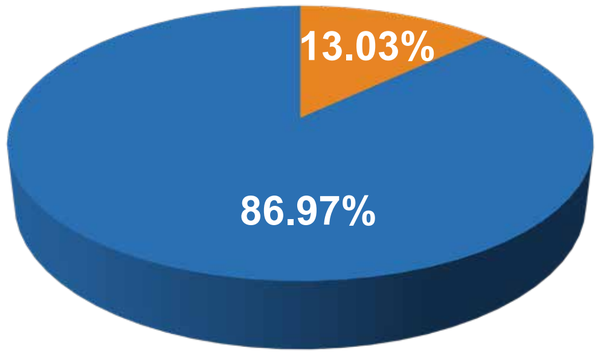
3.A.2. Alternate Modes Of Verification: Component Employment [Q4-21 to Q1-22]

	TRAVEL AND HOSPITALITY		FACILITY MANAGEMENT	PUBLISHING	
	STANDARD	ALTERNATE	STANDARD	STANDARD	ALTERNATE
Q4-21	82.59%	17.41%	100.00%	88.89%	11.11%
Q1-22	77.50%	22.50%	100.00%	72.73%	27.27%

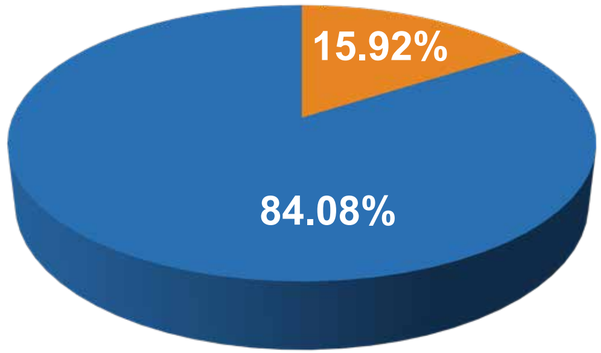
CASE LEVEL TREND

4.A.1. Alternate Modes Of Verification: Component Address [Q4-21 to Q1-22]

16 out of every 100 Address Verifications were conducted through the alternate modes of verification.



Q4-21



Q1-22

STANDARD ALTERNATE

CASE LEVEL TREND

4.A.2. Alternate Modes Of Verification: Component Address [Q4-21 to Q1-22]

	EDUCATION		BFSI		BPO	
	STANDARD	ALTERNATE	STANDARD	ALTERNATE	STANDARD	ALTERNATE
Q4-21			97.91%	2.09%	97.87%	2.13%
Q1-22	9.18%	90.82%	95.55%	4.45%	99.07%	0.93%

CASE LEVEL TREND

4.A.2. Alternate Modes Of Verification: Component Address [Q4-21 to Q1-22]

	CONSULTING		E COMMERCE & LOGISTICS		ENERGY	
	STANDARD	ALTERNATE	STANDARD	ALTERNATE	STANDARD	ALTERNATE
Q4-21	90.61%	9.39%	98.21%	1.79%	90.63%	9.38%
Q1-22	83.10%	16.90%	99.69%	0.31%	100.00%	0.00%

In Q1-22 sectors like, IT, Consulting and Manufacturing are accepting a higher percentage of alternate modes of verification compared to others.

CASE LEVEL TREND

4.A.2. Alternate Modes Of Verification: Component Address [Q4-21 to Q1-22]

	ENGINEERING & INFRA		FMCG		HEALTHCARE & PHARMA	
	STANDARD	ALTERNATE	STANDARD	ALTERNATE	STANDARD	ALTERNATE
Q4-21	99.07%	0.93%	100.00%	0.00%	99.62%	0.38%
Q1-22	97.71%	2.29%	99.53%	0.47%	99.55%	0.45%

CASE LEVEL TREND

4.A.2. Alternate Modes Of Verification: Component Address [Q4-21 to Q1-22]

JANUARY TO MARCH

	IT		MANUFACTURING		MEDIA
	STANDARD	ALTERNATE	STANDARD	ALTERNATE	STANDARD
Q4-21	71.30%	28.70%	98.47%	1.53%	100.00%
Q1-22	73.41%	26.59%	91.99%	8.01%	100.00%

CASE LEVEL TREND

4.A.2. Alternate Modes Of Verification: Component Address [Q4-21 to Q1-22]

	NGO	REAL ESTATE		RETAIL	
	STANDARD	STANDARD	ALTERNATE	STANDARD	ALTERNATE
Q4-21	100.00%	97.78%	2.22%	98.00%	2.00%
Q1-22	100.00%	100.00%	0.00%	98.45%	1.55%

CASE LEVEL TREND

4.A.2. Alternate Modes Of Verification: Component Address [Q4-21 to Q1-22]

	SERVICES		STAFFING		TELECOM	
	STANDARD	ALTERNATE	STANDARD	ALTERNATE	STANDARD	ALTERNATE
Q4-21	99.56%	0.44%	90.30%	9.70%	99.80%	0.20%
Q1-22	100.00%	0.00%	93.29%	6.71%	99.75%	0.25%

CASE LEVEL TREND

4.A.2. Alternate Modes Of Verification: Component Address [Q4-21 to Q1-22]

TRAVEL AND HOSPITALITY

	STANDARD	ALTERNATE
Q4-21	99.73%	0.27%
Q1-22	99.05%	0.95%

SCREENING INSIGHTS

- In Q1'22, the most frequent first names screened were Rahul, Abhishek, Amit, Sai, and Priyanka, while the most common last names screened were Kumar, Reddy, Singh, Sharma, and Gupta.
- First Advantage completes 94 percent of criminal checks in three days and 81 percent in one day.
- First Advantage has screening capabilities in over 150+ countries, with candidates who would have lived in other countries and are hired in India.
- USA, Australia, UK, Canada, China and Singapore are top countries screened for candidates working in India.
- Discrepancy in background screening was majorly at Associate Level.

VENDOR SCREENING

Our vendor screening has been further strengthened by including **FINANCIAL ASSESSMENT** for your vendors/ partners

Financial assessment based on the information / documents sourced from various public domain. Contains information like **Registration details, Director and Shareholder Details, GST details, Summary of financial statements of last three FY's.**

Financial Assessment

Vendor Screening Solutions helps in minimizing a company's potential liability by screening current agencies, prospective customers, vendors and suppliers. These solutions also help businesses take decisions to expand operations by verifying vendor's credentials.

- Company Verification Online Research
- Court Record Search
- Company Verification Site Visit
- TAN Validation
- Validation of Certificate of Incorporation
- Global Database Checks
- India Database Checks

FUTURE OF BACKGROUND VERIFICATION INDUSTRY

01 ATS TRACKING SYSTEM INTEGRATION

Initiate Background Verification from within your ATS to streamline the process and reduce Turnaround Time.

02 DIGITAL CONSENT

Digital consent form helps in getting Candidate information quickly and to easily start the Background Verification process.

03 REVIEW OF BACKGROUND VERIFICATION PROCESS

Filtering the report as per your business needs and concentrating on the specific requirements to help fast track your hiring process.

04 AUTOMATED STATUS NOTIFICATIONS

Automated status notifications ensuring real time process updates and access to current Background Verification status to employer.

SUCCESS FACTORS

Few experiences shared by our customers for our services

We are pleased with the quality of work that First Advantage has rendered to us. Their online verification systems are very critical to our company's operations and will definitely recommend their services because of professionalism, customer service and reliability. Staff members are quick in responding to any queries, have been courteous and focused on the needs of our business. We wish all the more success to First Advantage and look forward to a long term association not just domestic but globally as well

BGV Head, Brillio

CGI has been using First Advantage services since 2006, the quality of service and response has been extremely above expectations. They have a global reach with solutions which is customer friendly and accurate. Relationship with the account managers and the account leads are very proactive. We look forward for a greater partnership.

HR and BGV, CGI

On behalf of Artech, I would hereby like to appreciate First Advantage for the outstanding support towards achieving our business goals, especially during the pandemic situation of COVID. The SPOCs had always been available round the clock without a hitch, which is commendable. Artech looks forward to a continued long and fruitful relationship with First Advantage.

Sr. Manager Human Resources, Artech

We have been using First Advantage services since 2016. The service of First Advantage is very efficient in every aspect of BGV. Their timelines and enhanced checks with a user friendly portal is recommendable. The account managers and the entire team are extremely proactive and address the queries as needed. FA's service quality and accountability is extremely satisfying.

HR and Head of BGV, Mavenir (India) Pvt. Ltd

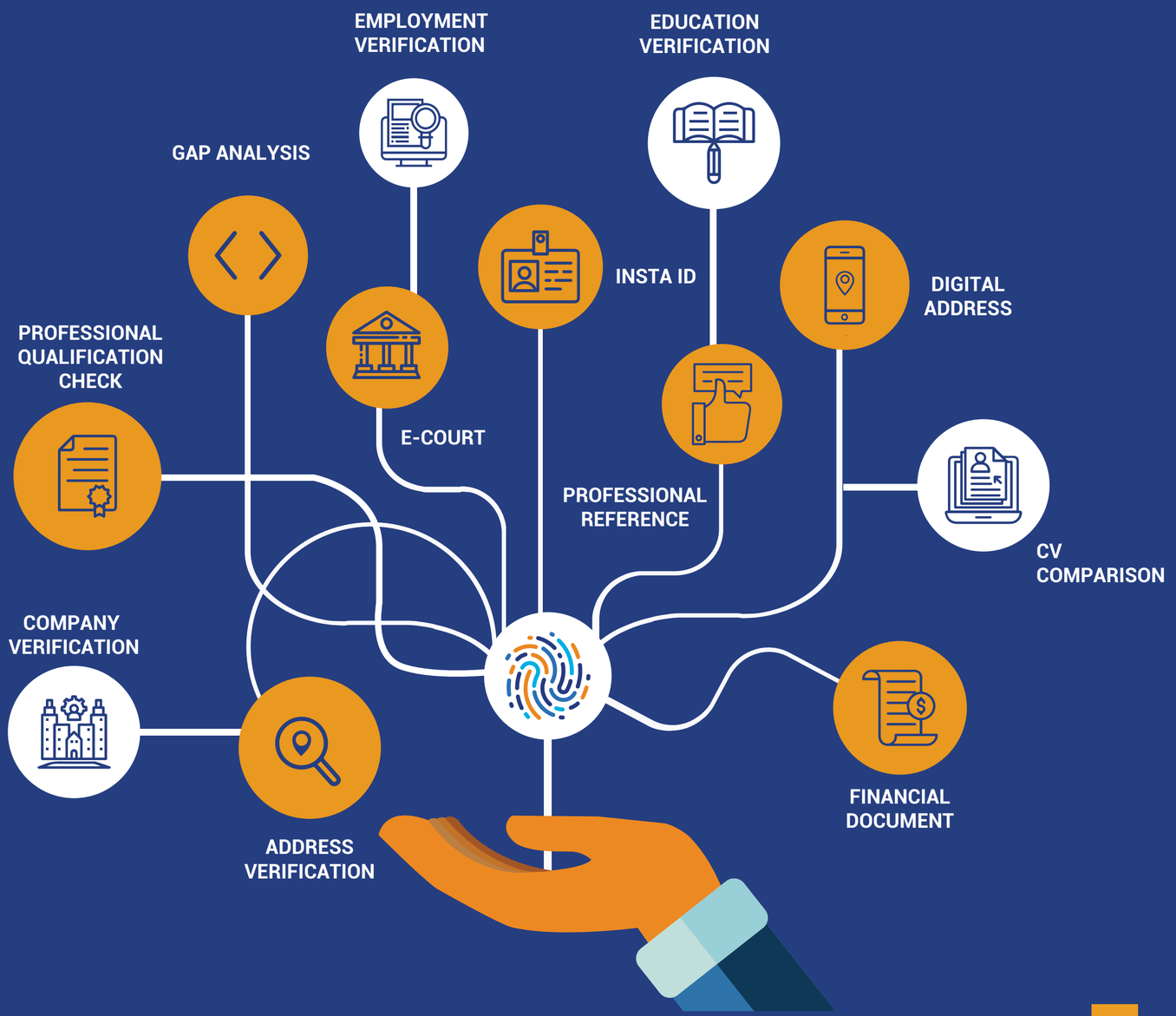
Excellent services, extremely customer friendly, Quick turnaround time, accurate & timely results..
They give us some good advises which also enhances our knowledge.

Head of BGV, Mindtree Ltd

FA CAPABILITIES AND SERVICES

Our verifications determine whether the information provided by a candidate is accurate. Common inaccuracies include grades achieved, positions held and length of employment - all of which can have a significant impact on a candidate's ability to perform effectively in their role. We always contact former employers / institutions directly, rather than the individual provided by a candidate, to avoid the possibility of speaking to someone masquerading as a legitimate referee.

Digital Onboarding is a solution for any organization in order to adhere to social distancing norms. The service assures efficient online onboarding of the candidate, removes the hassle of paperwork and further eliminates the need of the candidate's physical presence.



First Advantage

SPECIALIZED SERVICES

01

MSS – Managed Screening Services

Executive Advantage

02

03

Social Media Profiling

Insta Advantage Products

04

05

Vendor Screening

Consultative Services on demand

06

ABOUT US

50%+
of Fortune 100 Trust First Advantage

5,500
First Advantage Employees Worldwide

12 Years
Average Customer Tenure for Top 100 Customers

200+ Countries
& Territories

~93 million
Screens Completed

~96%
Average gross retention rate from 2019 to 2021

33,000+
Customers

First Advantage (NASDAQ: FA) is a leading global provider of technology solutions for screening, verifications, safety, and compliance related to human capital.

The Company delivers innovative solutions and insights that help customers manage risk and hire the best talent. Enabled by its proprietary technology, First Advantage's products and solutions help companies protect their brands and provide safer environments for their customers and their most important resources: employees, contractors, contingent workers, tenants, and drivers.

For more information about First Advantage, visit the Company's website at https://fadv.com/.

Delivering innovative solutions & insights that help our clients manage risk and hire the best talent

First Advantage