

JANUARY TO MARCH

Background Screening Trends India

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



GLOSSARY OF TERMS

JANUARY TO MARCH



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.

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.

Customer

The organization which authorizes First Advantage to conduct the verification.

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. Forward-looking statements include all statements that are not historical facts. The words "believe," "may," "will," "estimate," "continue," "anticipate," "intend," "expect" and similar expressions are intended to identify forward-looking statements. These forward-looking statements are subject to various risks, uncertainties, assumptions, or changes in circumstances that are difficult to predict or quantify, including those described under the "Risk Factors" section in our Annual Report on Form 10-K for the fiscal year ended December 31, 2021, as such factors may be updated from time to time in our periodic filings with the Securities and Exchange Commission (SEC), which are accessible on the SEC's website at HYPERLINK "<http://www.sec.gov>" www.sec.gov. Any forward-looking statements included in this presentation, or our SEC filings are made only as of their respective dates, 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,

The digital transformation of the background screening industry is revolutionizing the way organizations approach pre-employment screenings and due diligence checks. With the advent of advanced technologies and the increasing demand for accurate and efficient background checks, the industry is embracing digital solutions that streamline processes, enhance accuracy, and improve overall effectiveness.

While classic background screening primarily focuses on manual processes, the future will bring continuous monitoring capabilities using digital technology solutions. Technological advancements are reshaping the landscape of the background screening industry, providing organizations with more reliable, efficient, and secure screening solutions. Integration with applicant tracking systems (ATS) and other HR platforms enables a smooth transfer of data, eliminating manual data entry errors and streamlining the overall screening process.

First Advantage has also embarked on transformation journey including platform, applicant experience, analytics, digital solutions, and end to end integrations.

Digital identity verification solutions have become a cornerstone of the background screening industry's digital transformation. Leveraging biometric authentication, facial recognition, and document verification technologies, employers can now validate the identities of individuals more effectively. Organizations will have the ability to monitor employees' backgrounds throughout their tenure, ensuring ongoing compliance and risk management. Real-time alerts and notifications will flag any significant changes or red flags that emerge during employment.

Highlights of Q1-23

- Industries such as BFSI, E Commerce & Logistics, FMCG, Retail and Telecom showed substantially greater discrepancy percentages than the overall average of 11.5 percent.
- Discrepancy percentage in the BFSI sector increased from 10.30% in Q4-22 to 17.58% in Q1-23.
- For Employment Verifications, IT, BFSI, Consulting, FMCG, E-commerce & Logistics, Manufacturing, Healthcare & Pharma sectors have shown higher inclination towards alternate modes of verification.

We are committed to staying at the forefront of these developments to provide you with the best possible background screening services. Striking the balance between tech and people, our innovations help you to **"Hire Smarter and Onboard Faster."**

We are delighted that you are getting the required perspective and insights from our Trends report.

Always, proud to be of service to you!

AMIT SINGH

Senior Vice President & Head - Commercial, First Advantage India

Amit.Singh3@fadv.com



 **First Advantage**

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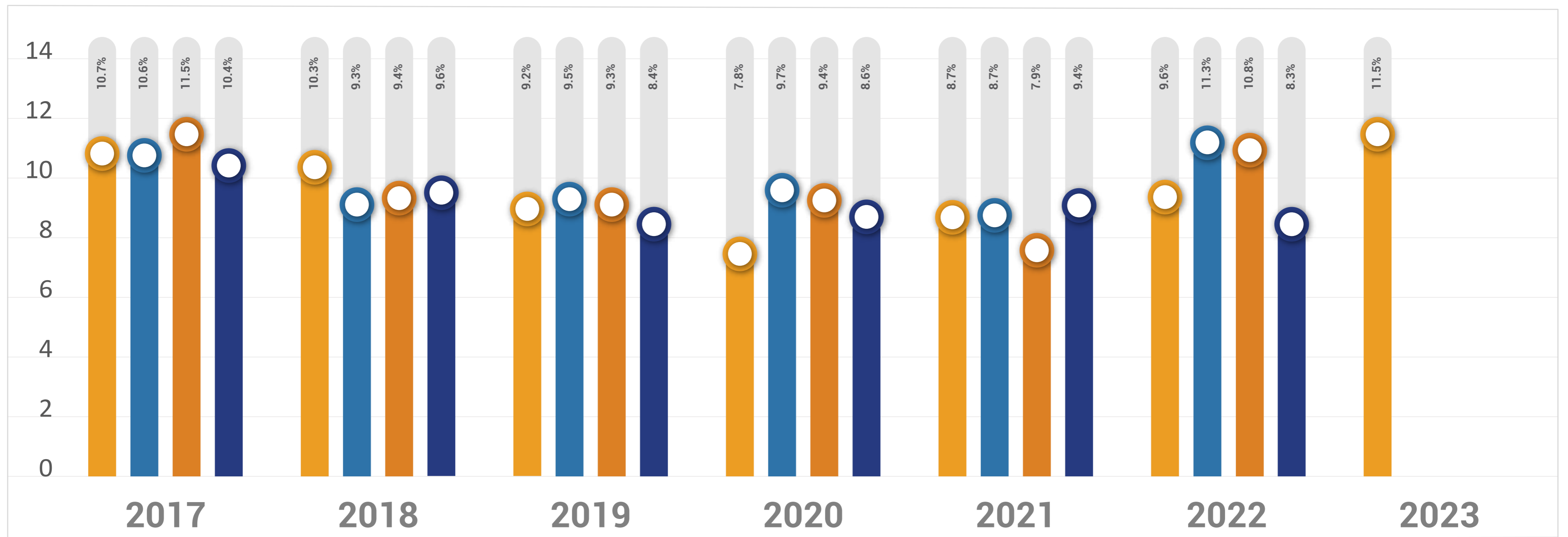
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CASE LEVEL TREND

1.A. Discrepancy Percentage - By Quarter [Q1-17 to Q1-23]

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Q1 Q2 Q3 Q4

CASE LEVEL TREND

1.B. Discrepancy Percentage - By Age [Q4-22 to Q1-23]

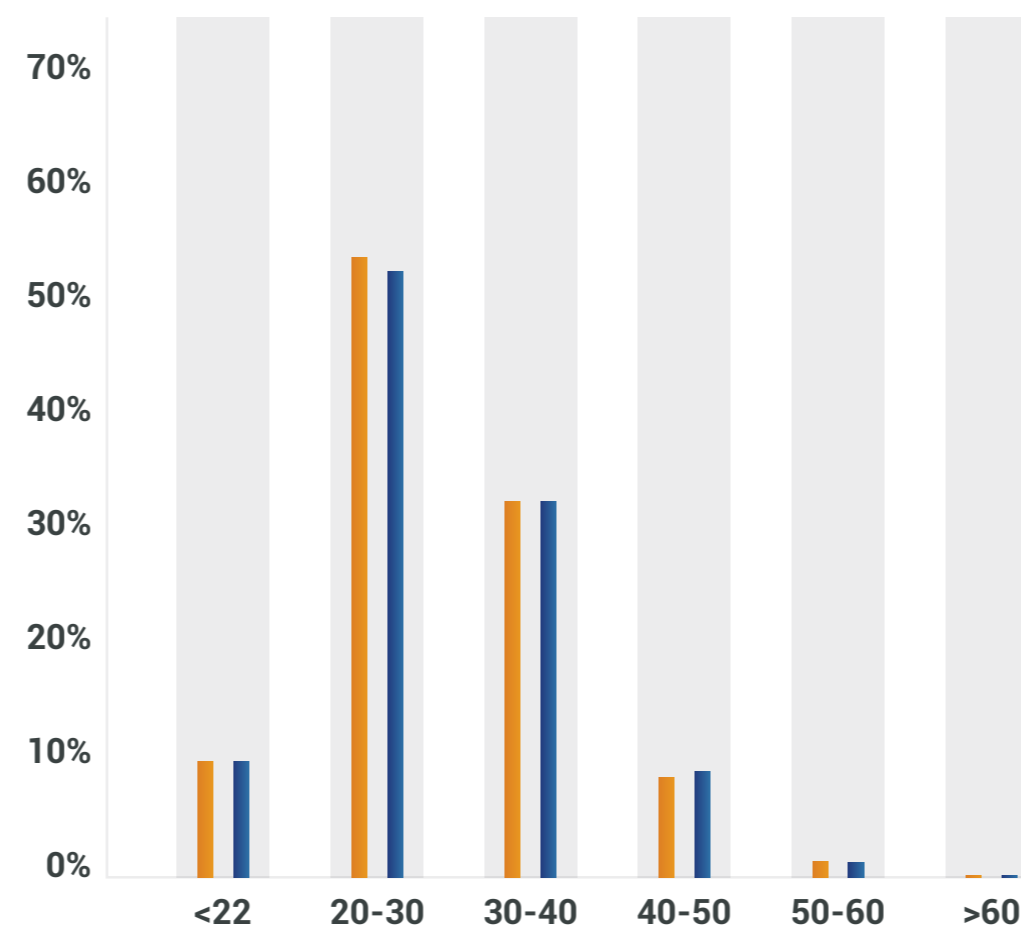
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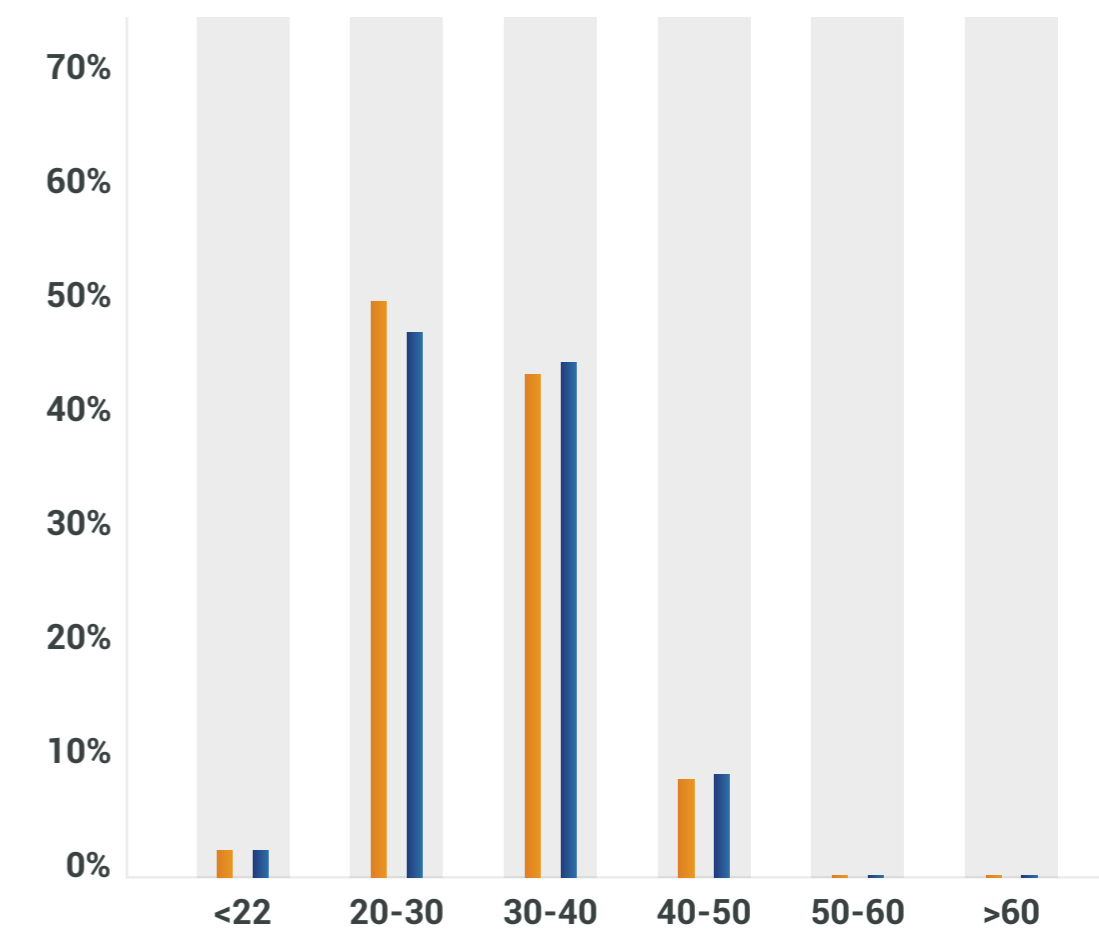
In Q1'23, most of the candidates screened were between the ages of 22 and 30.

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

Q4-22 Q1-23 Discrepancy %



Screenings by Age



Discrepancy by Age

CASE LEVEL TREND

1.C. Discrepancy Percentage - By Industry [Q4-22 to Q1-23]

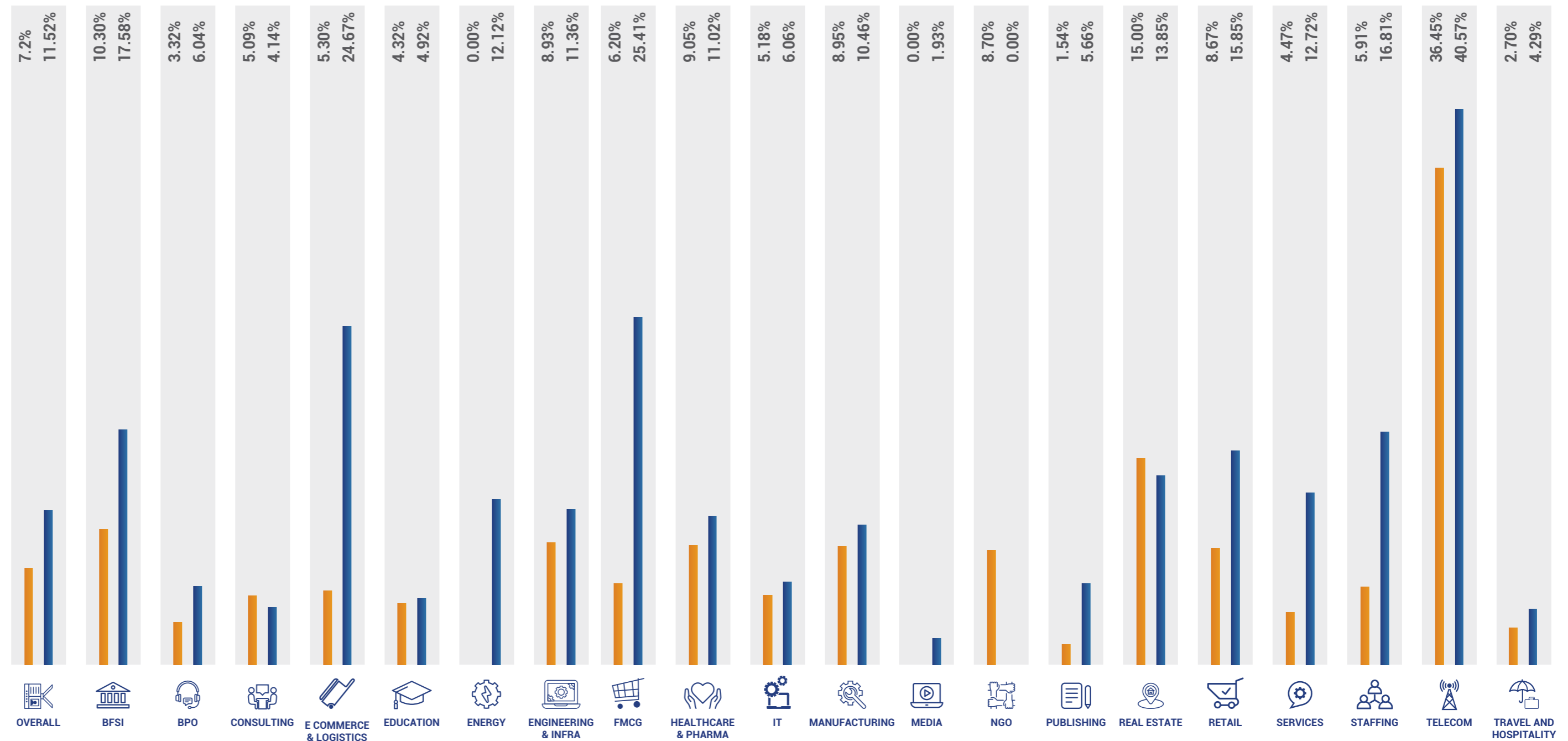
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In Q1-23, Industries such as BFSI, E Commerce & Logistics, FMCG, Retail and Telecom sectors had discrepancies percentages that are much higher than the overall average of 11.5 percent.

BFSI, FMCG and E Commerce & Logistics Industries had higher discrepancies compared to Q4-22.

Q4-22 Q1-23 Discrepancy %



CASE LEVEL TREND

1.D. Case and Component Discrepancy Percentage [Q4-22 to Q1-23]

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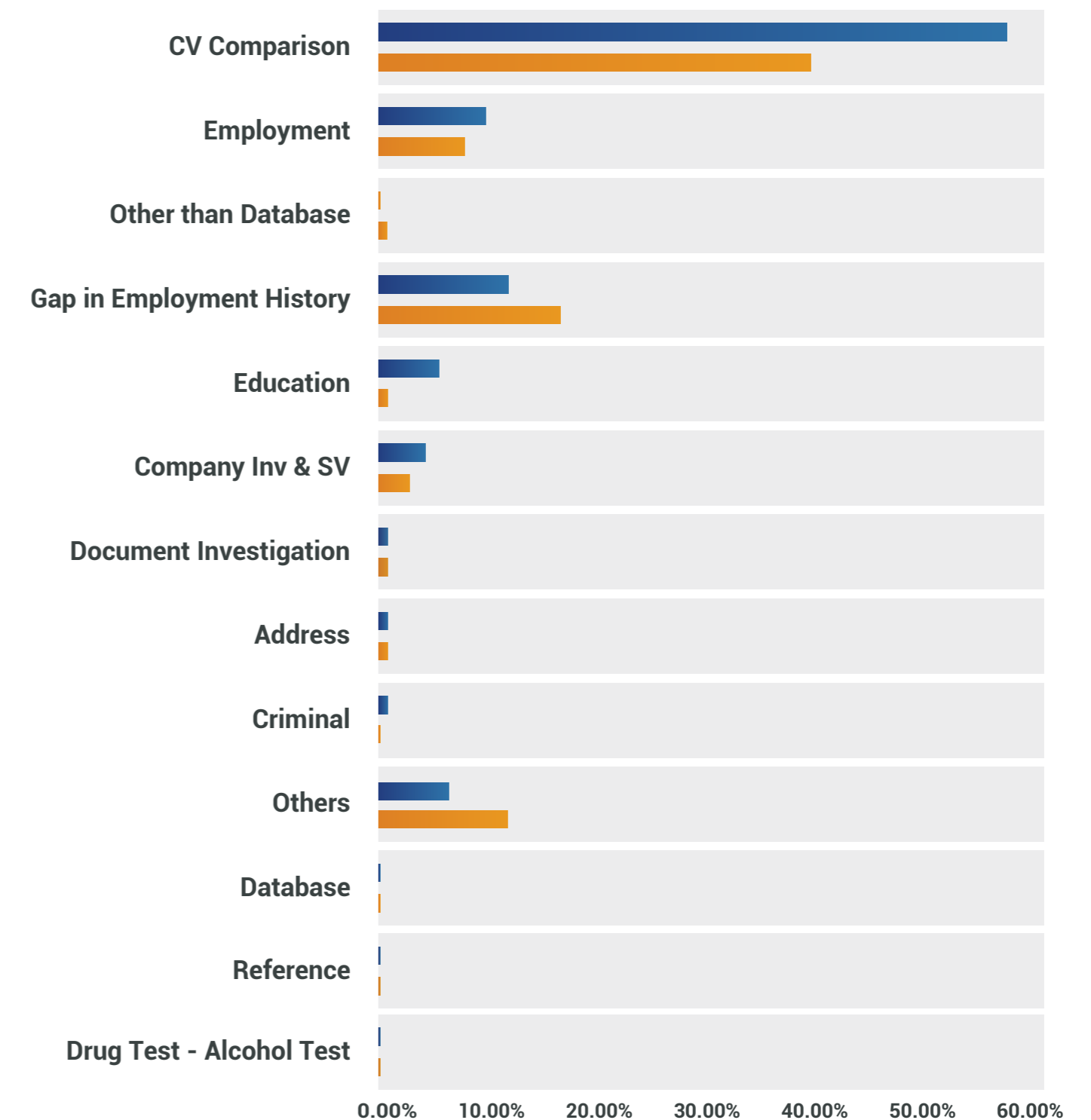
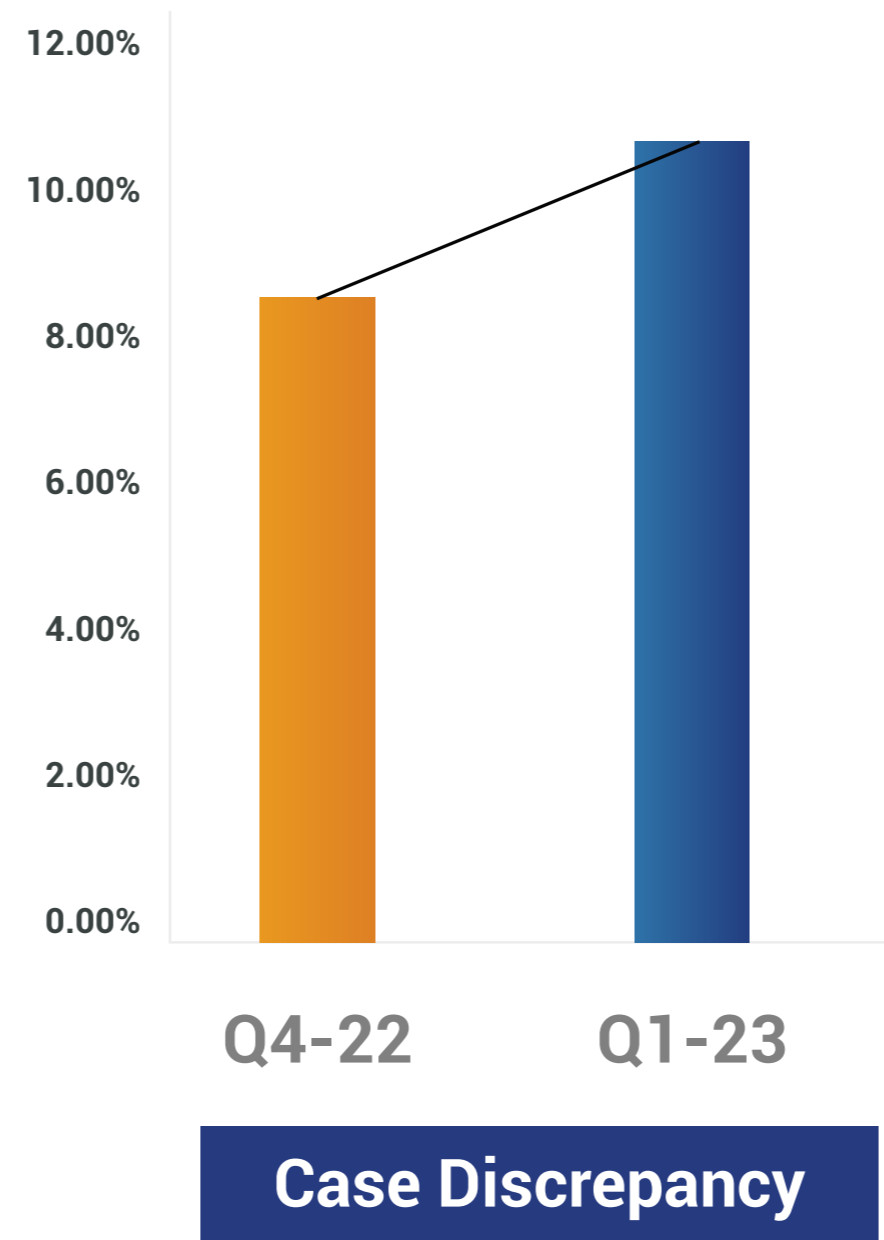


Case Discrepancy - Over 11 percent of candidates screened in Q1 2023 have noted discrepancies, i.e., 38 percent increase as compared to Q4-22.

CV comparison revealed a significant **increase** in noted discrepancies of 41 percent in Q1'23 compared to Q4'22.

Education discrepancy increased from 0.68 percent to 4.84 percent compared to Q4'22.

Q4-22 Q1-23 Discrepancy %







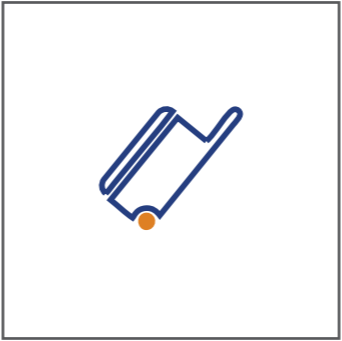



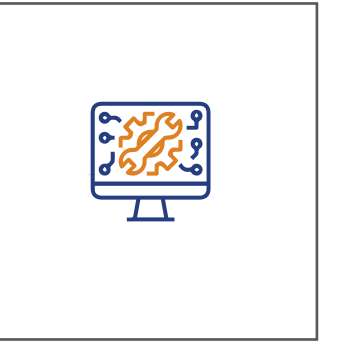
CASE LEVEL TREND

2.A. Discrepancy Percentage - By Industry by Component Education [Q4-22 vs Q1-23]



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	EDUCATION	BFSI	BPO	CONSULTING	E COMMERCE & LOGISTICS	ENGINEERING & INFRA	FMCG	HEALTHCARE & PHARMA	IT
Q4-22	0.63%	0.83%	0.50%	0.38%	1.23%	0.88%	1.80%	0.64%	0.57%
Q1-23	0.58%	8.88%	0.67%	0.48%	7.08%	0.40%	1.15%	1.19%	0.93%

BFSI, E-commerce and Logistics and Retail industries showed a rise in discrepancy in Q1-23 against Q4-22.

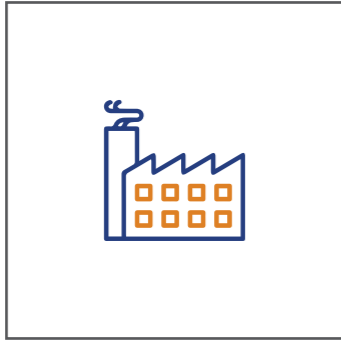






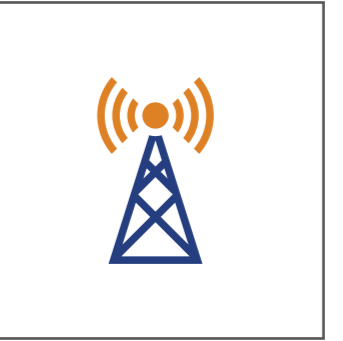

CASE LEVEL TREND

2.A. Discrepancy Percentage - By Industry by Component Education [Q4-22 vs Q1-23]



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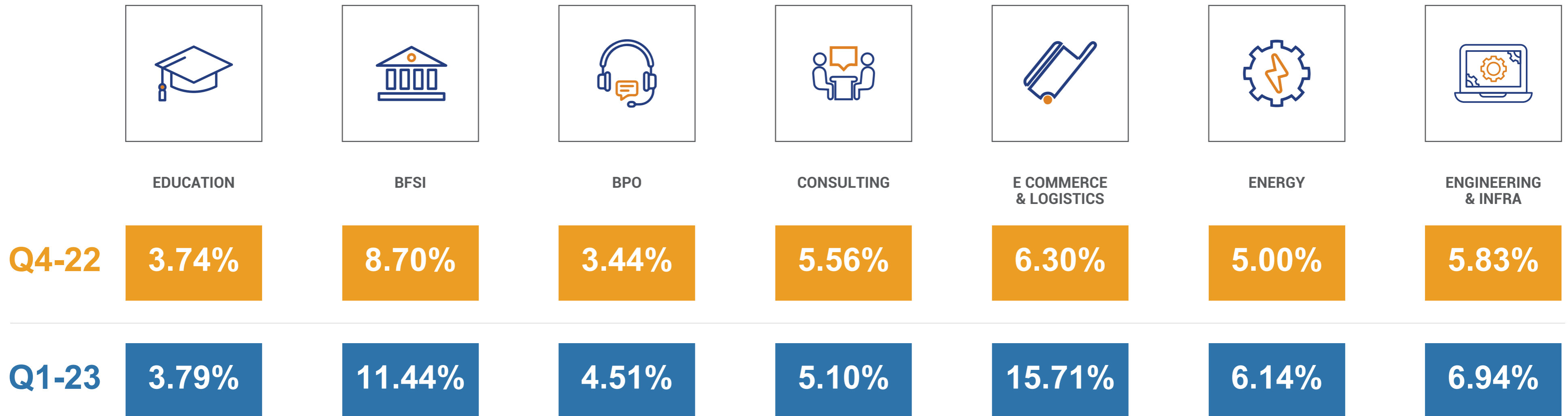
									
	MANUFACTURING	MEDIA	PUBLISHING	REAL ESTATE	RETAIL	SERVICES	STAFFING	TELECOM	TRAVEL AND HOSPITALITY
Q4-22	0.84%	0.00%	1.80%	0.00%	3.10%	0.36%	0.28%	2.77%	2.00%
Q1-23	1.02%	0.82%	2.11%	2.17%	11.91%	4.77%	1.57%	4.40%	2.75%

CASE LEVEL TREND

2.B. Discrepancy Percentage - By Industry by Component Employment [Q4-22 vs Q1-23]



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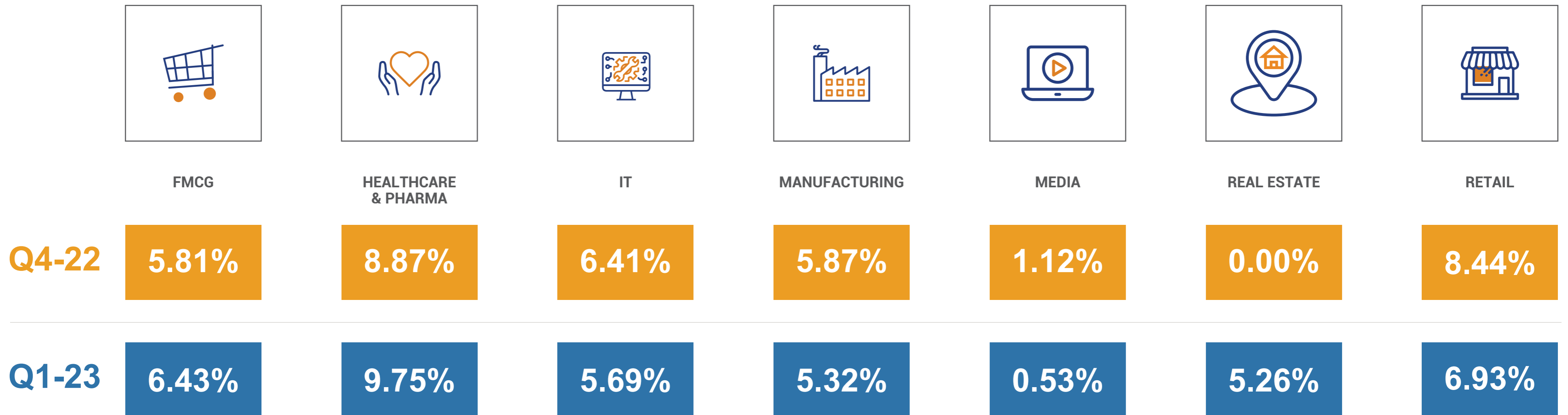
BFSI, Ecommerce and Logistics, FMCG Healthcare & Pharma and Telecom sectors leads to rise in discrepancy in Q1-23 compared to Q4-22.

CASE LEVEL TREND

2.B. Discrepancy Percentage - By Industry by Component Employment [Q4-22 vs Q1-23]



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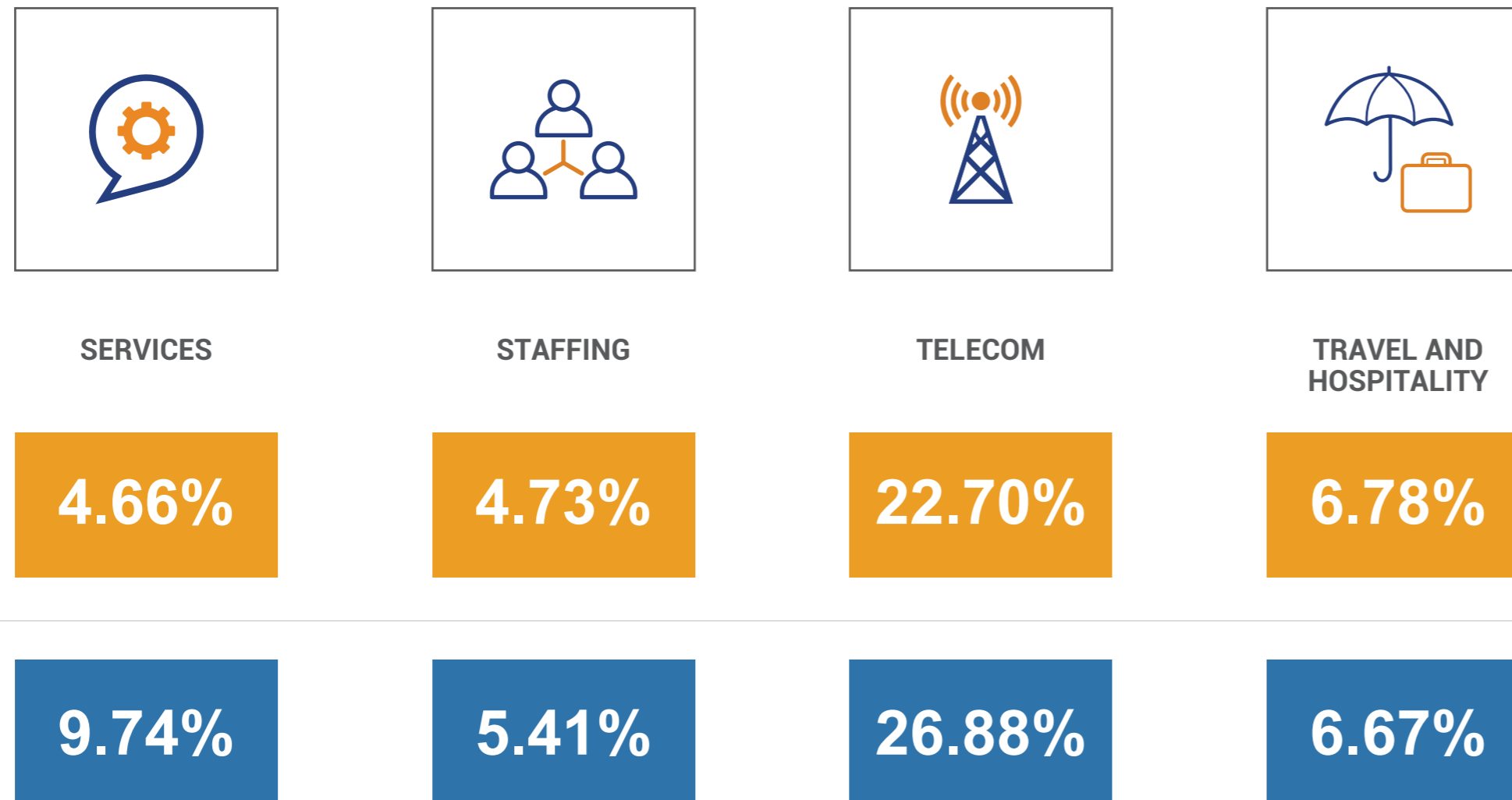


CASE LEVEL TREND

2.B. Discrepancy Percentage - By Industry by Component Employment
[Q4-22 vs Q1-23]



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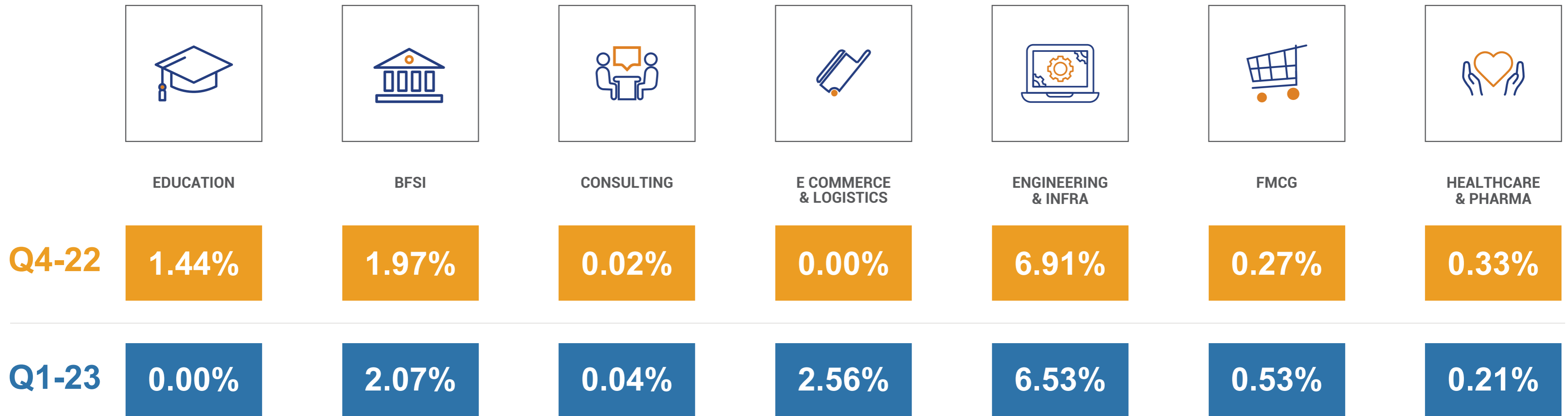


CASE LEVEL TREND

2.C. Discrepancy Percentage - By Industry by Component Address
[Q4-22 vs Q1-23]



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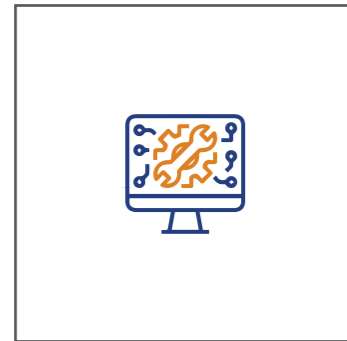
Sectors like BFSI, E commerce & Logistics, Retail & Telecom have demonstrated a significant increase in discrepancy in Q1-23 compared to Q4-22.

CASE LEVEL TREND

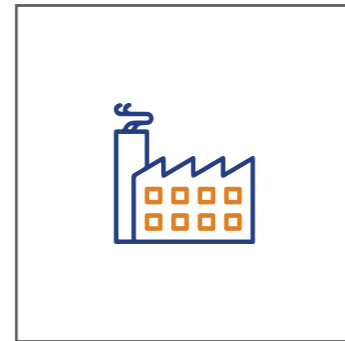
2.C. Discrepancy Percentage - By Industry by Component Address
[Q4-22 vs Q1-23]



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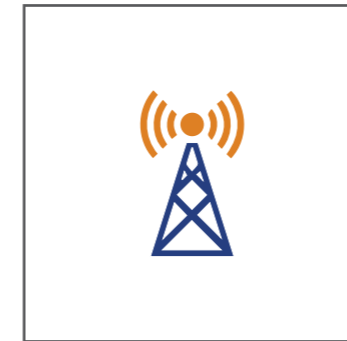
IT



MANUFACTURING



RETAIL



TELECOM



TRAVEL AND
HOSPITALITY

Q4-22

0.27%

4.35%

8.92%

18.23%

0.00%

Q1-23

0.26%

2.28%

8.83%

16.26%

0.41%

CASE LEVEL TREND

3.A.1. Alternate Modes Of Verification: Component Employment [Q4-22 to Q1-23]

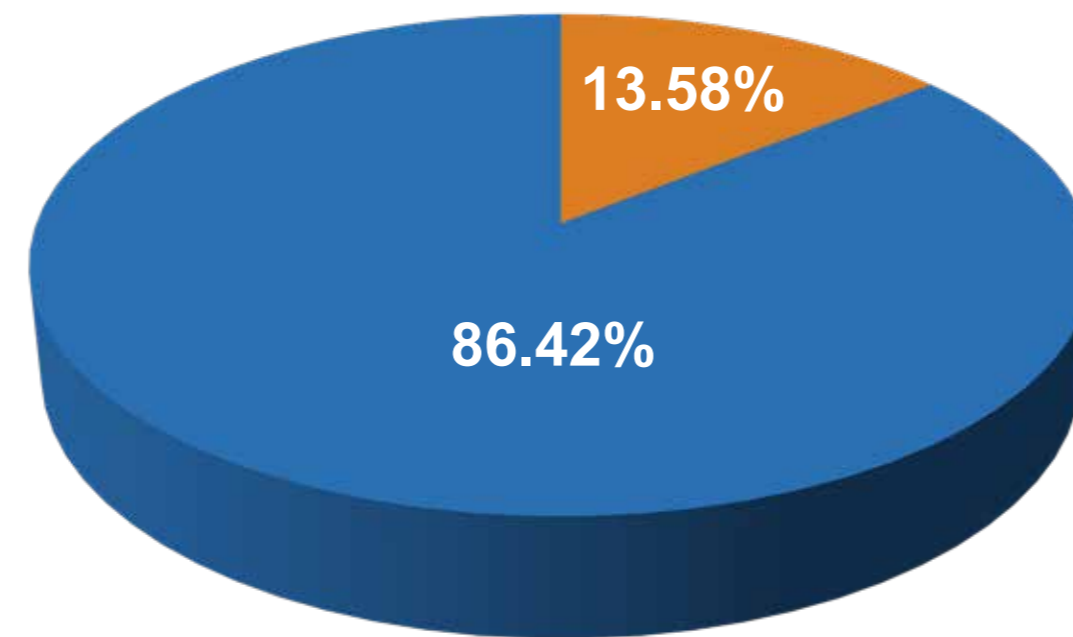


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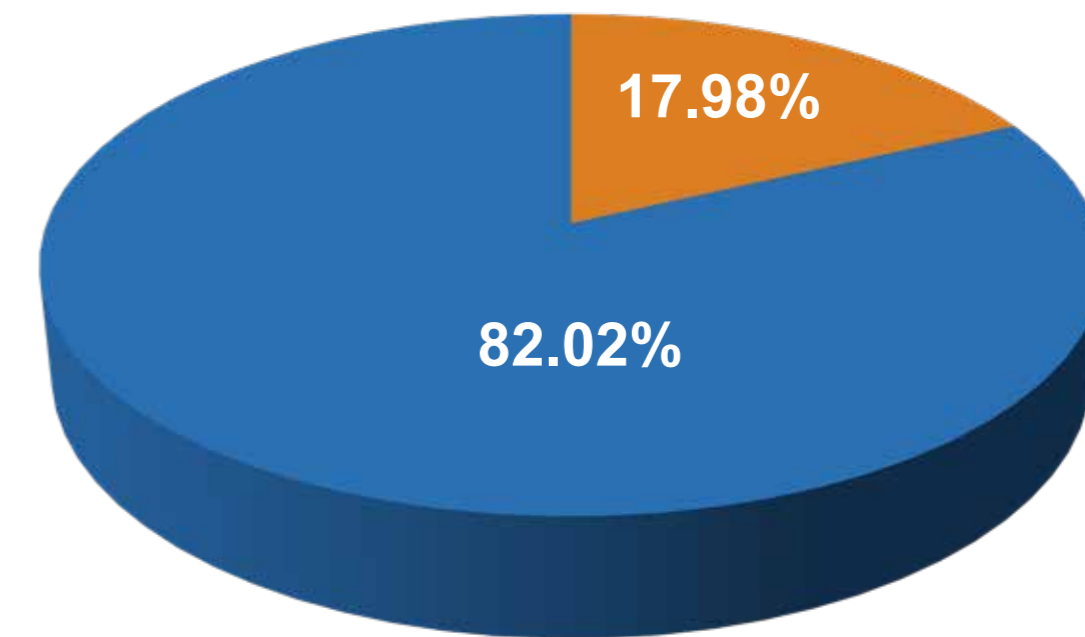


17 out of every 100 Employment Verifications were conducted through the alternate modes of verification.

■ STANDARD ■ ALTERNATE



Q4-22



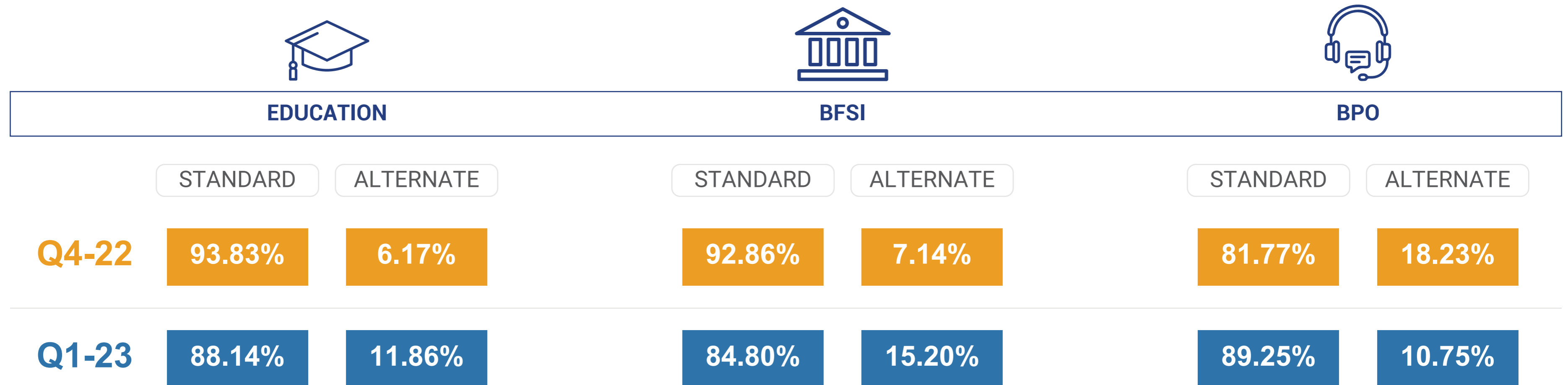
Q1-23

CASE LEVEL TREND

3.A.2. Alternate Modes Of Verification: Component Employment [Q4-22 to Q1-23]



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In Q1-23 sectors, IT, BFSI, Consulting, FMCG, E-commerce & Logistics, Manufacturing, Healthcare & Pharma 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 [Q4-22 to Q1-23]



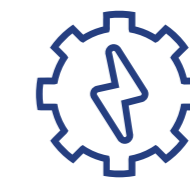
JANUARY TO MARCH



CONSULTING



E COMMERCE & LOGISTICS



ENERGY

STANDARD

ALTERNATE

Q4-22

90.29%

9.71%

STANDARD

ALTERNATE

74.63%

25.37%

STANDARD

ALTERNATE

98.00%

2.00%

Q1-23

86.33%

13.67%

73.09%

26.91%

71.11%

28.89%

CASE LEVEL TREND

3.A.2. Alternate Modes Of Verification: Component Employment [Q4-22 to Q1-23]



JANUARY TO MARCH



ENGINEERING & INFRA



FMCG



HEALTHCARE & PHARMA

STANDARD

ALTERNATE

Q4-22

81.20%

18.80%

STANDARD

ALTERNATE

76.57%

23.43%

STANDARD

ALTERNATE

86.64%

13.36%

Q1-23

68.50%

31.50%

79.66%

20.34%

78.36%

21.64%


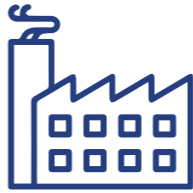

CASE LEVEL TREND

3.A.2. Alternate Modes Of Verification: Component Employment [Q4-22 to Q1-23]



JANUARY TO MARCH



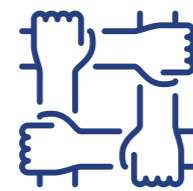
	 IT		 MANUFACTURING		 MEDIA	
	STANDARD	ALTERNATE	STANDARD	ALTERNATE	STANDARD	ALTERNATE
Q4-22	80.88%	19.12%	90.21%	9.79%	79.47%	20.53%
Q1-23	81.16%	18.84%	70.67%	29.33%	65.70%	34.30%

CASE LEVEL TREND

3.A.2. Alternate Modes Of Verification: Component Employment [Q4-22 to Q1-23]



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NGO



REAL ESTATE



RETAIL

STANDARD

STANDARD

ALTERNATE

STANDARD

ALTERNATE

Q4-22

100.00%

0.00%

82.35%

17.65%

75.32%

24.68%

Q1-23

91.67%

8.33%

52.83%

47.17%

61.57%

38.43%

CASE LEVEL TREND

3.A.2. Alternate Modes Of Verification: Component Employment [Q4-22 to Q1-23]



JANUARY TO MARCH



SERVICES



STAFFING



TELECOM

STANDARD

ALTERNATE

Q4-22

95.21%

4.79%

STANDARD

ALTERNATE

89.32%

10.68%

STANDARD

ALTERNATE

90.91%

9.09%

Q1-23

89.61%

10.39%

86.41%

13.59%

82.93%

17.07%

CASE LEVEL TREND

3.A.2. Alternate Modes Of Verification: Component Employment [Q4-22 to Q1-23]



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TRAVEL AND HOSPITALITY

STANDARD

ALTERNATE

Q4-22

86.64%

13.36%

Q1-23

69.91%

30.09%



PUBLISHING

STANDARD

ALTERNATE

82.14%

17.86%

95.83%

4.17%

CASE LEVEL TREND

4.A.1. Alternate Modes Of Verification: Component Address [Q4-22 to Q1-23]

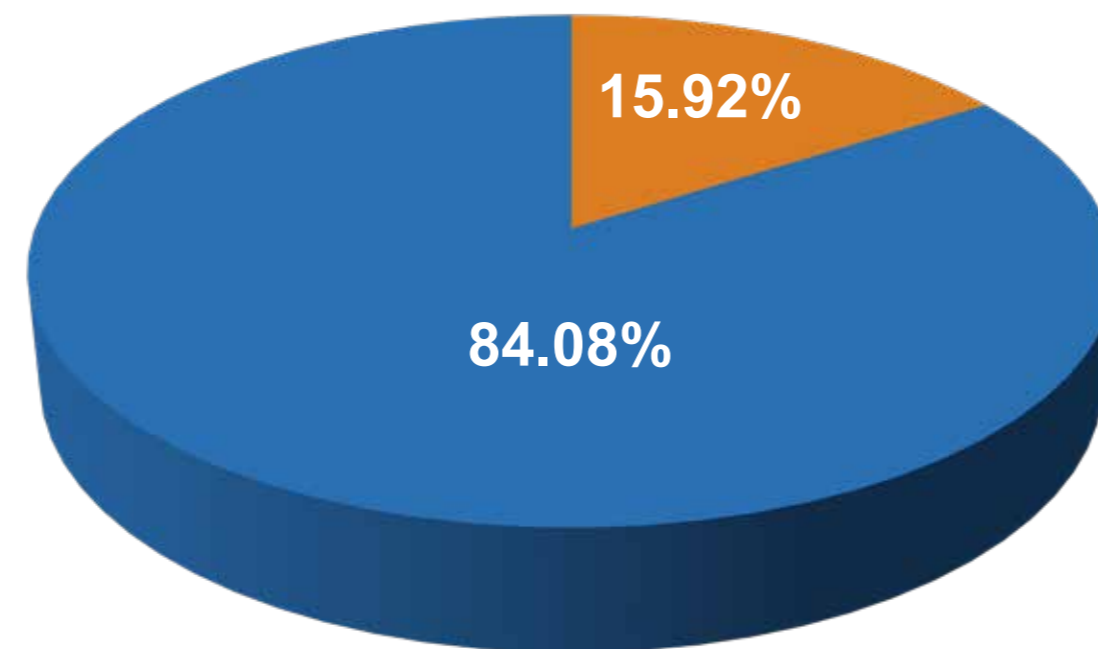


JANUARY TO MARCH

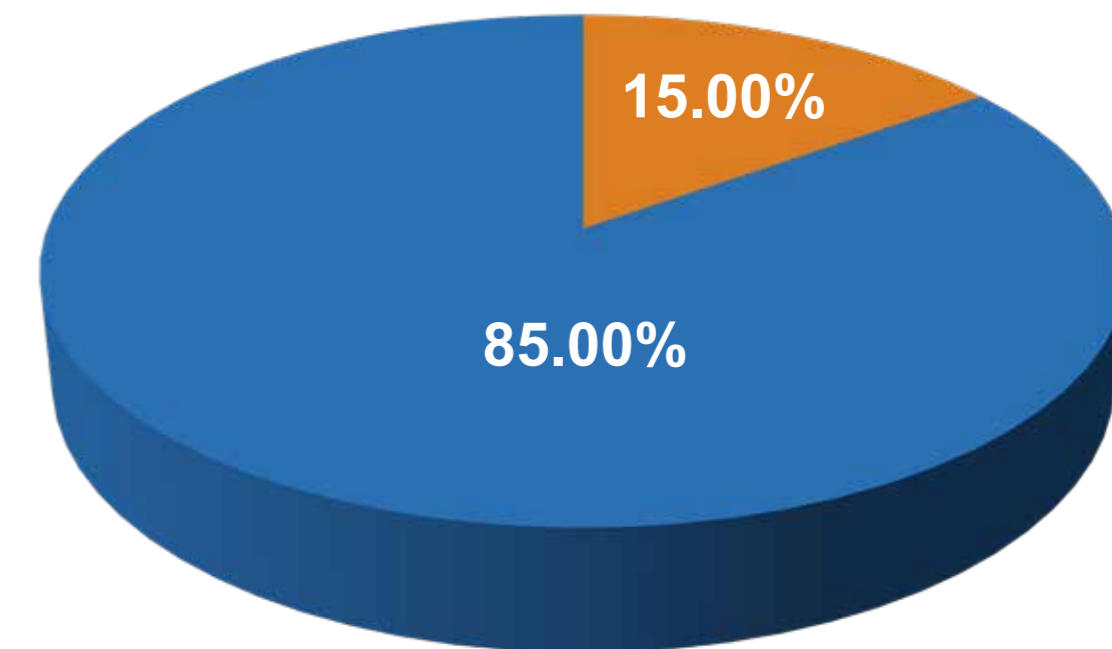


15 out of every 100 Address Verifications were conducted through the alternate modes of verification.

■ STANDARD ■ ALTERNATE



Q4-22



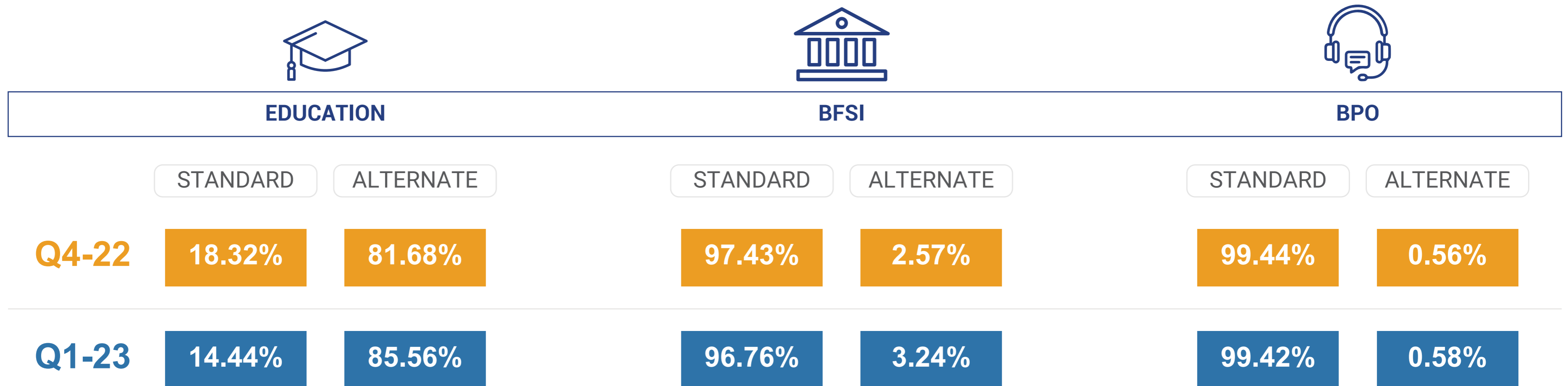
Q1-23

CASE LEVEL TREND

4.A.2. Alternate Modes Of Verification: Component Address [Q4-22 to Q1-23]



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In Q4-22 sectors, BFSI, Education, IT, Manufacturing and Staffing to name a few, 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 [Q4-22 to Q1-23]



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CONSULTING

STANDARD

ALTERNATE

Q4-22

77.20%

22.80%

Q1-23

83.78%

16.22%

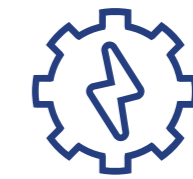


E COMMERCE & LOGISTICS

STANDARD

100.00%

100.00%



ENERGY

STANDARD

100.00%

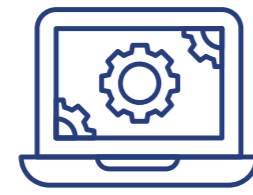
100.00%

CASE LEVEL TREND

4.A.2. Alternate Modes Of Verification: Component Address [Q4-22 to Q1-23]



JANUARY TO MARCH



ENGINEERING & INFRA

STANDARD

ALTERNATE

Q4-22

96.90%

3.10%

Q1-23

96.55%

3.45%



FMCG

STANDARD

100.00%

100.00%



HEALTHCARE & PHARMA

STANDARD

ALTERNATE

99.53%

0.47%

98.77%

1.23%

CASE LEVEL TREND

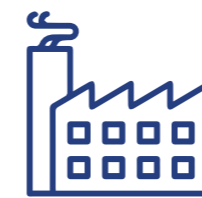
4.A.2. Alternate Modes Of Verification: Component Address [Q4-22 to Q1-23]



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IT



MANUFACTURING



MEDIA

STANDARD

ALTERNATE

Q4-22

67.46%

32.54%

STANDARD

ALTERNATE

95.18%

4.82%

STANDARD

ALTERNATE

100.00%

0.00%

Q1-23

67.70%

32.30%

87.90%

12.10%

88.89%

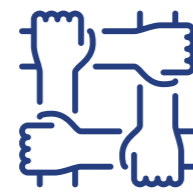
11.11 %

CASE LEVEL TREND

4.A.2. Alternate Modes Of Verification: Component Address [Q4-22 to Q1-23]



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NGO



RETAIL



SERVICES

STANDARD

STANDARD

ALTERNATE

STANDARD

ALTERNATE

Q4-22

100.00%

99.60%

0.40%

100.00%

0.00%

Q1-23

100.00%

100.00%

0.00%

99.75%

0.25%

CASE LEVEL TREND

4.A.2. Alternate Modes Of Verification: Component Address [Q4-22 to Q1-23]



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STAFFING



TELECOM



TRAVEL AND HOSPITALITY

STANDARD

ALTERNATE

Q4-22

93.60%

6.40%

STANDARD

ALTERNATE

99.57%

0.43%

STANDARD

ALTERNATE

99.84%

0.16%

Q1-23

89.96%

10.04%

100.00%

0.00%

99.89%

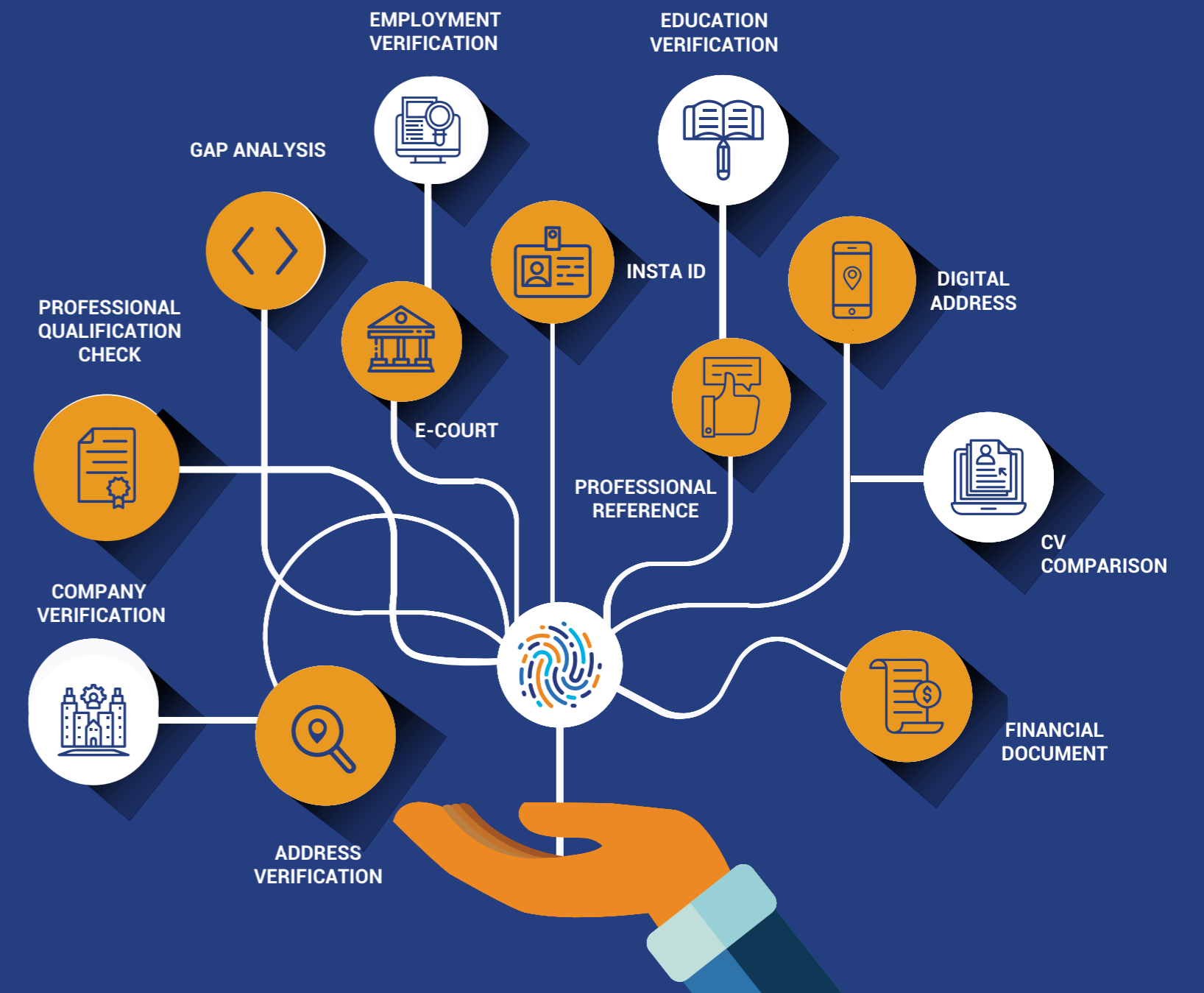
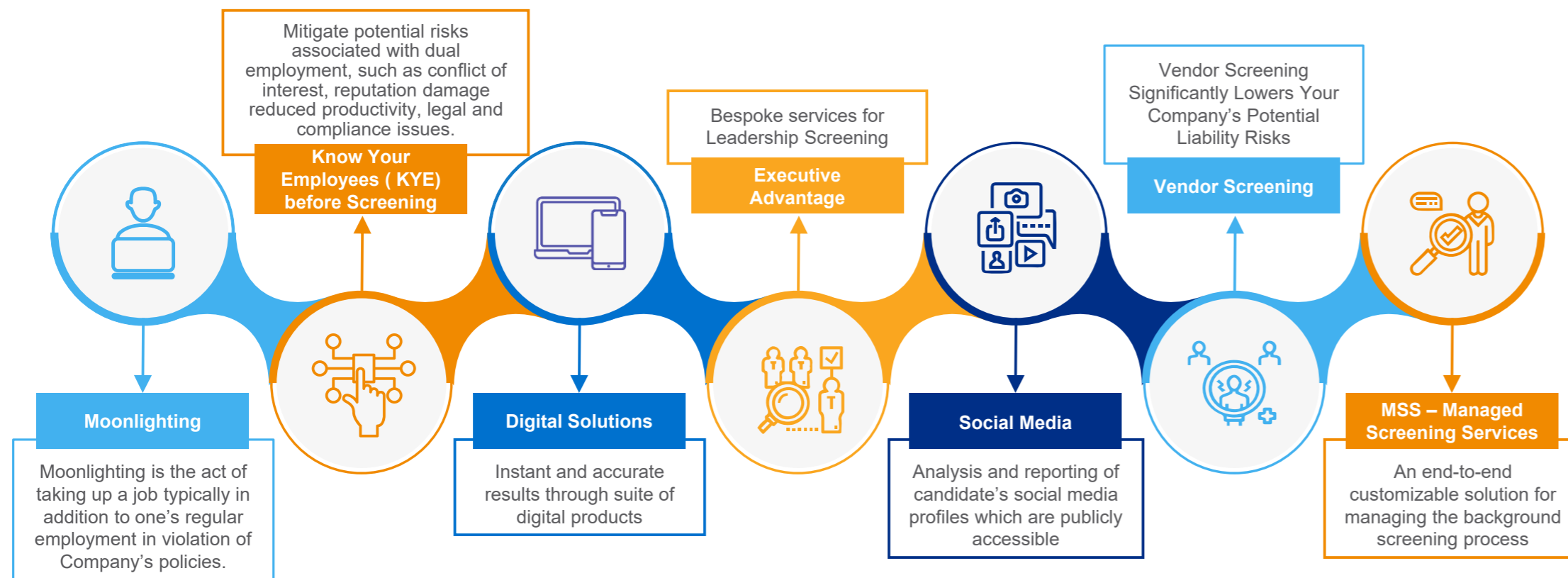
0.11%



- △ In Q1'23, the most frequent first names screened were Rahul, Abhishek, Shubham, Amit and Deepak, while the most common last names screened were Kumar, Sharma, Singh, Patil and Reddy.
- △ First Advantage completes 95 percent of criminal checks in three days and 72 percent in one day.
- △ First Advantage has screening capabilities in over 200+ countries, with candidates who would have lived in other countries and are hired in India.
- △ USA, Australia, UK, Srilanka and Canada are top countries screened for candidates working in India.
- △ Discrepancy in background screening was majorly at Associate Level.

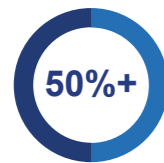
FA CAPABILITIES AND SERVICES

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LEADER IN BACKGROUND SCREENING

JANUARY TO MARCH



50%+
of Fortune 100 Trust
First Advantage



5,800
First Advantage
Employees Worldwide



13 Years
Average Customer
Tenure for Top 100
Customers



**200+ Countries
& Territories**



100+ million
Screens Completed



~97%
Average gross
retention rate from
2020 to 2022



33,000+
Customers



Unique global capabilities
required for multinational
corporations



Global coverage on a single
sign-on platform



Technology platform equipped to
address complexities of a global
compliance engine



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

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