APRIL TO JUNE

Background Screening
Trends India

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. 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.

FOREWORD

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

Dear Readers,

With India making consistent progressive strides towards economic recovery, Companies are pursuing a variety of expansion strategies which has created a strong demand for skilled talent in the market. Implementing a comprehensive employee screening program is a good practice and safe approach for businesses to chart an ethical future.

At First Advantage, our primary focus is on improving client onboarding experience, lowering delivery cycle times, and enhancing quality performance. To support this goal, we are bringing market innovative technologies, implementing modern architectures, and producing leading API frameworks — all while driving high customer satisfaction and creating a positive applicant experience.

Highlights of Q1-22

- In Q2-22, industries such as BFSI, E-Commerce and Logistics, Retail & Telcom showed substantially greater discrepancy percentages than the overall average of 11.3 percent.
- Discrepancy percentage in the BFSI sector increased from 18.6 % in Q1-22 to 20.07 % in Q2-22.
- For Employment Verifications IT, BFSI, FMCG and Manufacturing sectors have shown higher inclination towards alternate modes of verification.

In the current digital and hybrid work environment, it is more important than ever that businesses understand best practices and trends for employee background checks when looking to expand or manage their workforces.

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

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First Advantage

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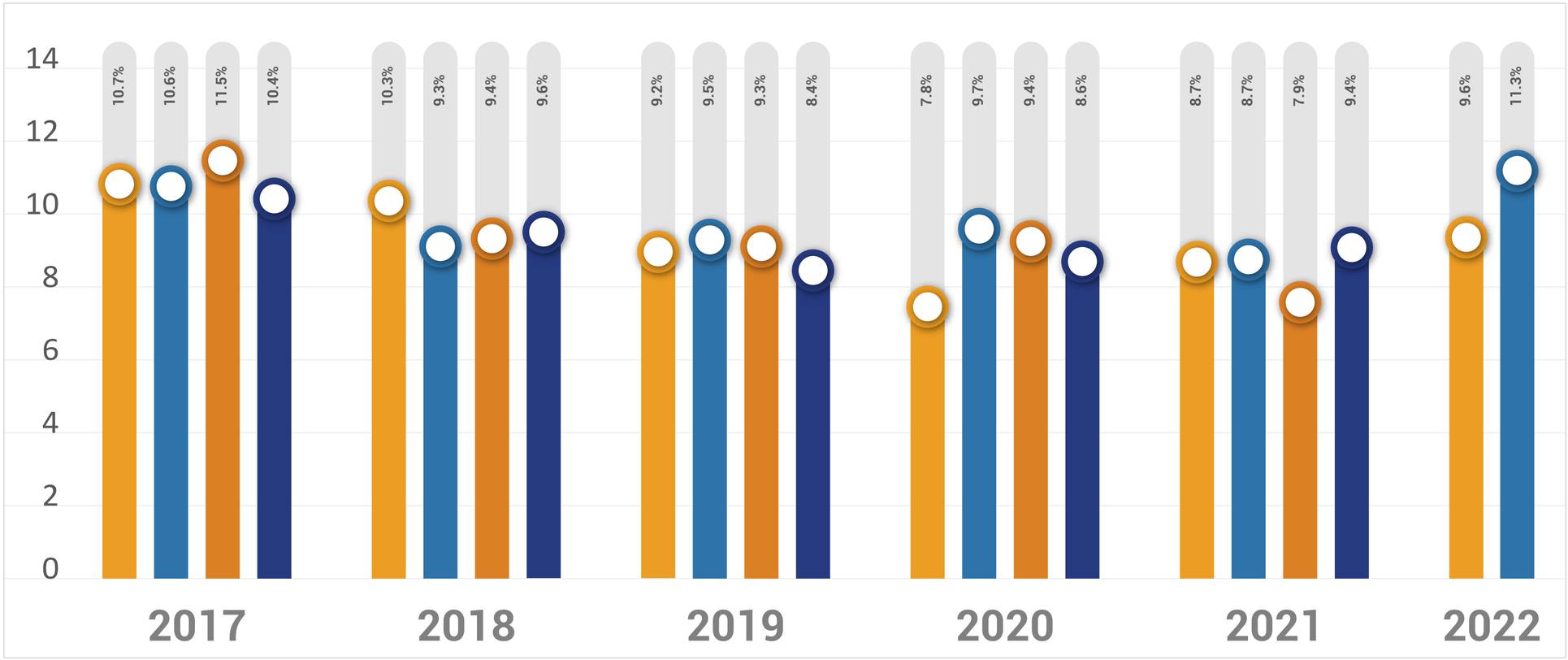
CASE LEVEL TREND

1.A. Discrepancy Percentage - By Quarter [Q1-17 to Q2-22]



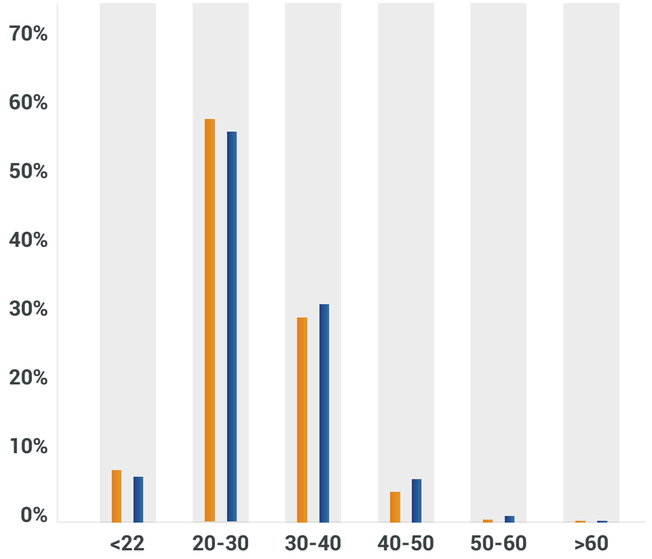
CASE LEVEL TREND

1.B. Discrepancy Percentage - By Age [Q1-22 to Q2-22]

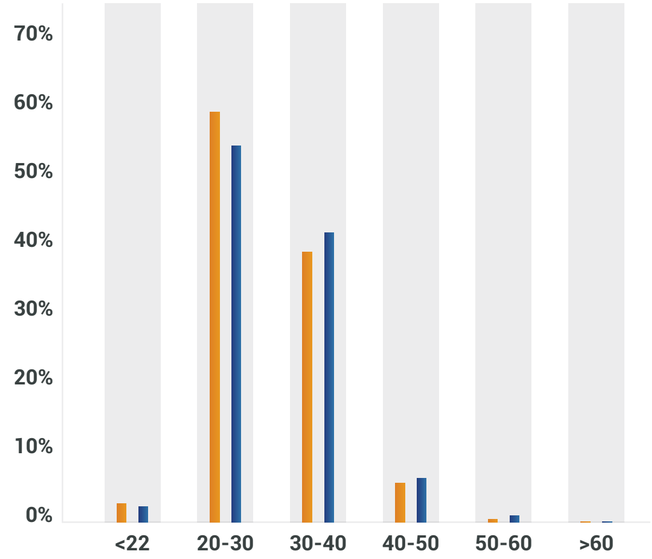
In Q2'22, most of the candidates screened were between the ages of 22 and 30.

Candidate screenings for those aged 40 to 50 years old jumped by 28%.

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



Screenings by Age



Discrepancy by Age

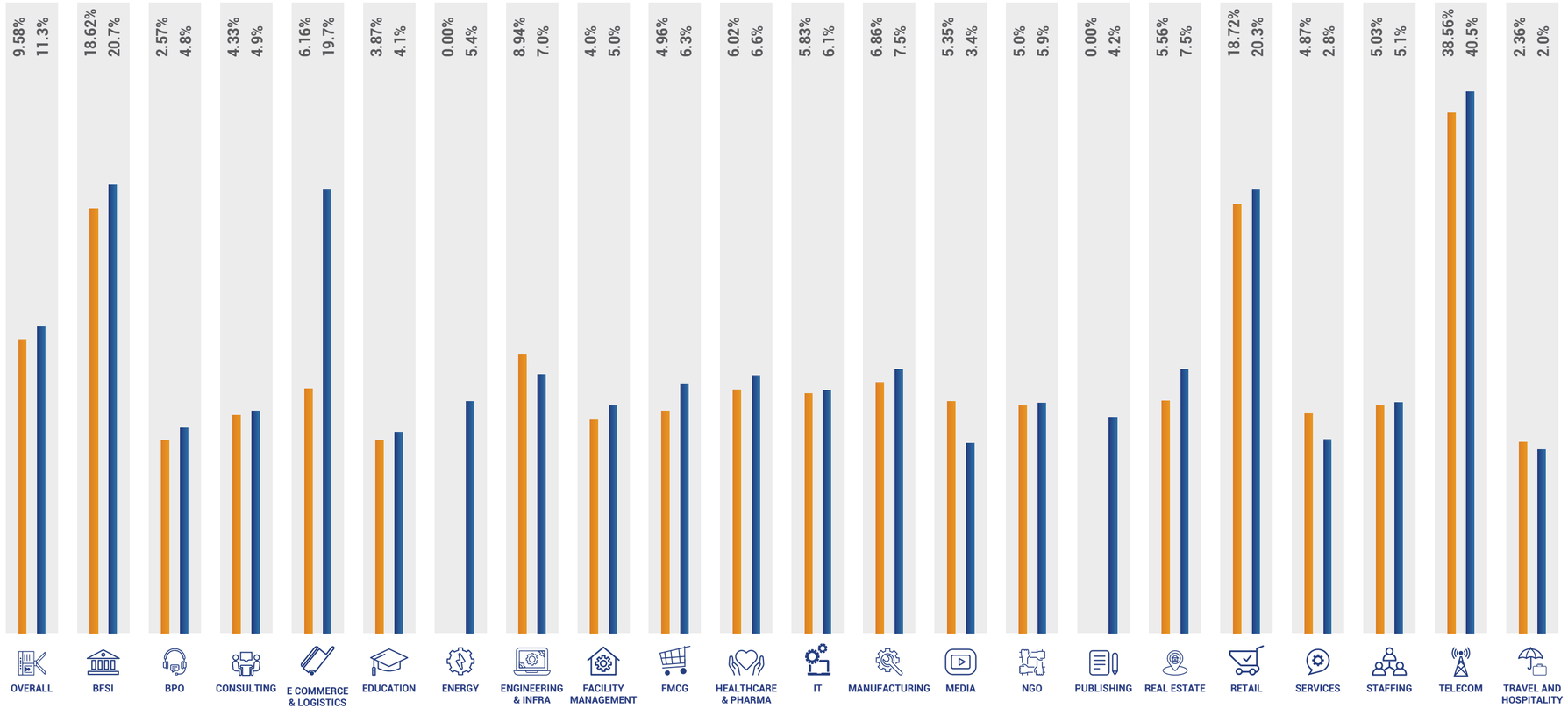
Q1-22 Q2-22 Discrepancy %

CASE LEVEL TREND

1.C. Discrepancy Percentage - By Industry [Q1-22 to Q2-22]

In Q2-22, Industries such as Real Estate, FMCG, BPO and Ecommerce & logistics had discrepancies percentages that are much higher than the overall average of 11.3 percent.

FMCG, Retail, Manufacturing and Ecommerce & Logistics Industries had higher discrepancies compared to Q1-22.



CASE LEVEL TREND

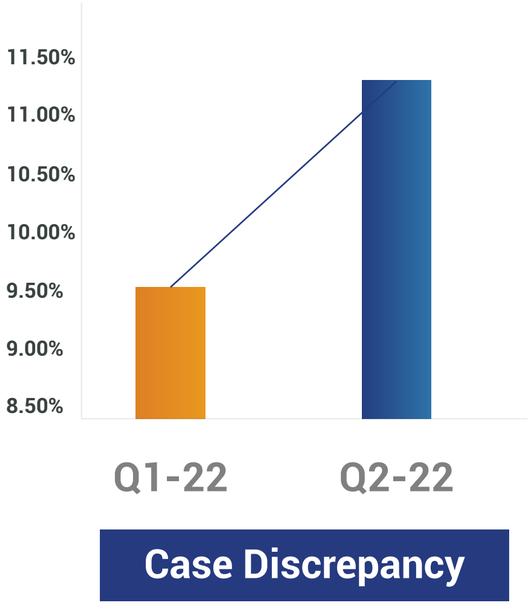
1.D. Case and Component Discrepancy Percentage [Q1-22 to Q2-22]

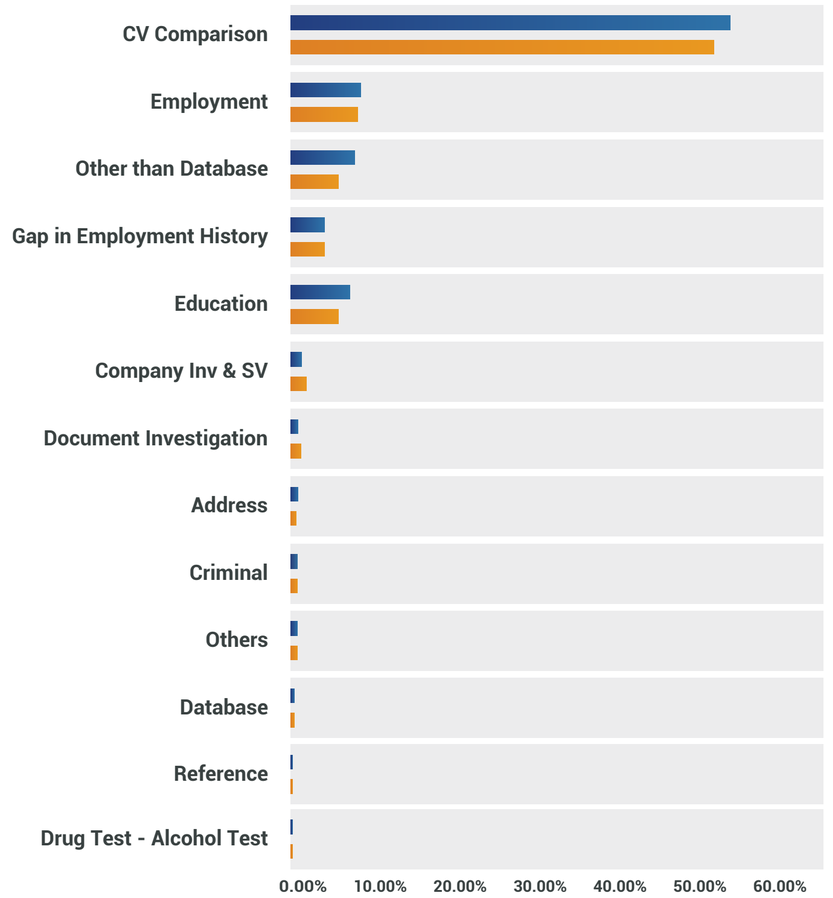
Case Discrepancy - Over 11% of candidates screened in Q2 2022 have noted discrepancies, i.e. 2% increase as compared to Q1-22.

CV comparison revealed a significant increase in noted discrepancies showcasing an increase of 4% in Q2'22 compared to Q1'22.

Education discrepancy increased from 3.53% to 5.30% compared to Q1'22.

Increased difference in Address and Criminal screenings by 5% and 6%, respectively.





Q1-22 Q2-22 Discrepancy %

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CASE LEVEL TREND

2.A. Discrepancy Percentage - By Industry by Component Education [Q1-22 vs Q2-22]

	EDUCATION	BFSI	BPO	CONSULTING	E COMMERCE & LOGISTICS	ENGINEERING & INFRA	FMCG	HEALTHCARE & PHARMA	IT
Q1-22	1.29%	11.33%	0.38%	0.42%	2.86%	1.09%	1.81%	0.73%	0.51%
Q2-22	0.29%	10.91%	0.71%	0.46%	11.14%	1.06%	0.86%	0.94%	0.81%

E-Commerce & Logistics and Retail industries showed a rise in discrepancy in Q2-22 against Q1-22.

CASE LEVEL TREND

2.A. Discrepancy Percentage - By Industry by Component Education [Q1-22 vs Q2-22]

	MANUFACTURING	MEDIA	REAL ESTATE	RETAIL	SERVICES	STAFFING	TELECOM	TRAVEL AND HOSPITALITY
Q1-22	0.65%	0.54%	0.00%	10.65%	0.27%	1.08%	3.87%	1.31%
Q2-22	0.65%	0.72%	1.40%	19.53%	0.25%	1.13%	3.98%	0.75%

CASE LEVEL TREND

2.B. Discrepancy Percentage - By Industry by Component Employment [Q1-22 vs Q2-22]

	EDUCATION	BFSI	BPO	CONSULTING	E COMMERCE & LOGISTICS	ENERGY	ENGINEERING & INFRA
Q1-22	3.13%	9.56%	3.28%	4.09%	7.09%	1.64%	6.20%
Q2-22	3.85%	8.95%	5.10%	4.76%	21.95%	5.08%	4.88%

E-Commerce & Logistics, Retail, Telecom and BPO sectors leads to rise in discrepancy in Q2-22 compared to Q1-22.

CASE LEVEL TREND

2.B. Discrepancy Percentage - By Industry by Component Employment [Q1-22 vs Q2-22]

APRIL TO JUNE

	FACILITY MANAGEMENT	FMCG	HEALTHCARE & PHARMA	IT	MANUFACTURING	MEDIA	REAL ESTATE
Q1-22	18.18%	3.94%	6.72%	6.81%	5.16%	4.76%	2.56%
Q2-22	0.00%	5.17%	7.10%	6.00%	5.05%	3.52%	4.32%

CASE LEVEL TREND

2.B. Discrepancy Percentage - By Industry by Component Employment [Q1-22 vs Q2-22]

	RETAIL	SERVICES	STAFFING	TELECOM	TRAVEL AND HOSPITALITY
Q1-22	8.63%	5.56%	4.81%	15.17%	5.71%
Q2-22	9.30%	3.76%	5.00%	16.10%	5.61%

CASE LEVEL TREND

2.C. Discrepancy Percentage - By Industry by Component Address [Q1-22 vs Q2-22]

	EDUCATION	BFSI	BPO	CONSULTING	E COMMERCE & LOGISTICS	ENGINEERING & INFRA	FMCG
Q1-22	0.49%	1.73%	0.05%	0.03%	0.55%	0.55%	4.13%
Q2-22	0.60%	1.45%	0.00%	0.03%	5.97%	0.18%	0.92%

Sectors like E-Commerce & Logistics, Retail, Manufacturing and Telecom have demonstrated a significant increase in discrepancy in Q2-22 compared to Q1-22.

CASE LEVEL TREND

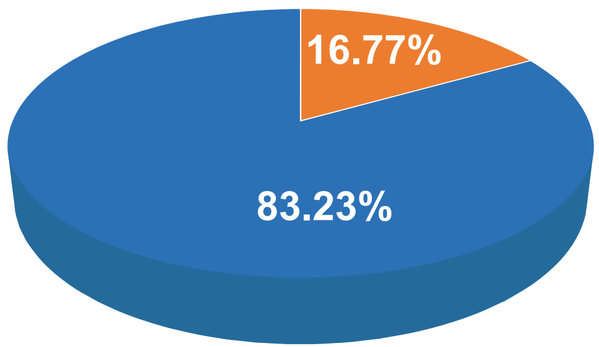
2.C. Discrepancy Percentage - By Industry by Component Address [Q1-22 vs Q2-22]

	HEALTHCARE & PHARMA	IT	MANUFACTURING	RETAIL	TELECOM	TRAVEL AND HOSPITALITY
Q1-22	0.44%	0.57%	0.64%	7.89%	18.11%	0.04%
Q2-22	0.34%	0.31%	3.18%	9.50%	20.21%	0.19%

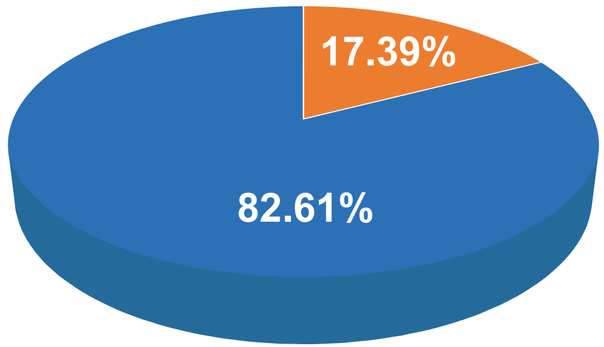
CASE LEVEL TREND

3.A.1. Alternate Modes Of Verification: Component Employment [Q1-22 to Q2-22]

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



Q1-22



Q2-22

STANDARD ALTERNATE

CASE LEVEL TREND

3.A.2. Alternate Modes Of Verification: Component Employment [Q1-22 to Q2-22]

	EDUCATION		BFSI		BPO	
	STANDARD	ALTERNATE	STANDARD	ALTERNATE	STANDARD	ALTERNATE
Q1-22	88.58%	11.42%	88.14%	11.86%	89.57%	10.43%
Q2-22	86.47%	13.53%	86.81%	13.19%	87.81%	12.19%

In Q2-22 sectors like Engineering & Infrastructure, IT, Retail, 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 [Q1-22 to Q2-22]

APRIL TO JUNE

	CONSULTING		E COMMERCE & LOGISTICS		ENERGY	
	STANDARD	ALTERNATE	STANDARD	ALTERNATE	STANDARD	ALTERNATE
Q1-22	88.88%	11.12%	86.79%	13.21%	94.55%	5.45%
Q2-22	91.88%	8.12%	89.31%	10.69%	88.46%	11.54%

CASE LEVEL TREND

3.A.2. Alternate Modes Of Verification: Component Employment [Q1-22 to Q2-22]

APRIL TO JUNE

	ENGINEERING & INFRA		FMCG		HEALTHCARE & PHARMA	
	STANDARD	ALTERNATE	STANDARD	ALTERNATE	STANDARD	ALTERNATE
Q1-22	72.46%	27.54%	85.58%	14.42%	84.75%	15.25%
Q2-22	70.47%	29.53%	81.94%	18.06%	86.21%	13.79%

CASE LEVEL TREND

3.A.2. Alternate Modes Of Verification: Component Employment [Q1-22 to Q2-22]

APRIL TO JUNE

	IT		MANUFACTURING		MEDIA	
	STANDARD	ALTERNATE	STANDARD	ALTERNATE	STANDARD	ALTERNATE
Q1-22	78.84%	21.16%	86.22%	13.78%	67.57%	32.43%
Q2-22	76.56%	23.44%	84.05%	15.95%	65.57%	34.43%

CASE LEVEL TREND

3.A.2. Alternate Modes Of Verification: Component Employment [Q1-22 to Q2-22]

APRIL TO JUNE

	NGO		REAL ESTATE		RETAIL	
	STANDARD	ALTERNATE	STANDARD	ALTERNATE	STANDARD	ALTERNATE
Q1-22	85.71%	14.29%	79.41%	20.59%	84.98%	15.02%
Q2-22	85.71%	14.29%	82.53%	17.47%	80.03%	19.97%

CASE LEVEL TREND

3.A.2. Alternate Modes Of Verification: Component Employment [Q1-22 to Q2-22]

APRIL TO JUNE

	SERVICES		STAFFING		TELECOM	
	STANDARD	ALTERNATE	STANDARD	ALTERNATE	STANDARD	ALTERNATE
Q1-22	81.55%	18.45%	90.47%	9.53%	90.81%	9.19%
Q2-22	87.65%	12.35%	92.42%	7.58%	88.82%	11.18%

CASE LEVEL TREND

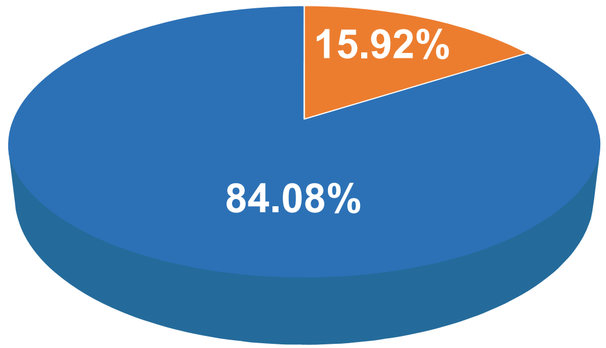
3.A.2. Alternate Modes Of Verification: Component Employment [Q1-22 to Q2-22]

	TRAVEL AND HOSPITALITY		FACILITY MANAGEMENT	PUBLISHING	
	STANDARD	ALTERNATE	STANDARD	STANDARD	ALTERNATE
Q1-22	77.50%	22.50%	100.00%	72.73%	27.27%
Q2-22	76.95%	23.05%	0.00%	100.00%	0.00%

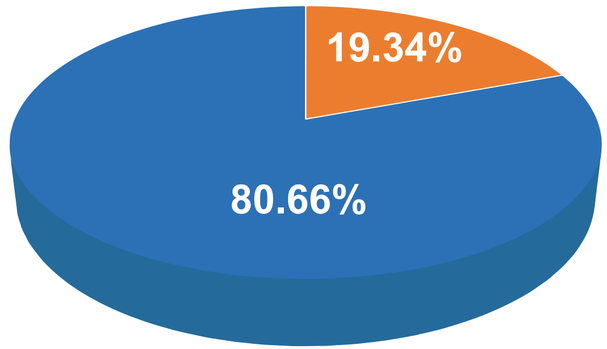
CASE LEVEL TREND

4.A.1. Alternate Modes Of Verification: Component Address [Q1-22 to Q2-22]

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



Q1-22



Q2-22

STANDARD ALTERNATE

CASE LEVEL TREND

4.A.2. Alternate Modes Of Verification: Component Address [Q1-22 to Q2-22]

	EDUCATION		BFSI		BPO	
	STANDARD	ALTERNATE	STANDARD	ALTERNATE	STANDARD	ALTERNATE
Q1-22	9.18%	90.82%	95.55%	4.45%	99.07%	0.93%
Q2-22	13.58%	86.42%	86.31%	13.69%	99.37%	0.63%

CASE LEVEL TREND

4.A.2. Alternate Modes Of Verification: Component Address [Q1-22 to Q2-22]

	CONSULTING		E COMMERCE & LOGISTICS		ENERGY	
	STANDARD	ALTERNATE	STANDARD	ALTERNATE	STANDARD	ALTERNATE
Q1-22	83.10%	16.90%	99.69%	0.31%	100.00%	0.00%
Q2-22	81.12%	18.88%	100.00%	0.00%	100.00%	0.00%

In Q2-22 sectors like Education, IT, BFSI and Consulting 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 [Q1-22 to Q2-22]

APRIL TO JUNE

	ENGINEERING & INFRA		FMCG		HEALTHCARE & PHARMA	
	STANDARD	ALTERNATE	STANDARD	ALTERNATE	STANDARD	ALTERNATE
Q1-22	97.71%	2.29%	99.53%	0.47%	99.55%	0.45%
Q2-22	94.11%	5.89%	99.06%	0.94%	99.85%	0.15%

CASE LEVEL TREND

4.A.2. Alternate Modes Of Verification: Component Address [Q1-22 to Q2-22]

	IT		MANUFACTURING		MEDIA
	STANDARD	ALTERNATE	STANDARD	ALTERNATE	STANDARD
Q1-22	73.41%	26.59%	91.99%	8.01%	100.00%
Q4-21	69.08%	30.92%	94.79%	5.21%	100.00%

CASE LEVEL TREND

4.A.2. Alternate Modes Of Verification: Component Address [Q1-22 to Q2-22]

	NGO	REAL ESTATE		RETAIL	
	STANDARD	STANDARD	ALTERNATE	STANDARD	ALTERNATE
Q1-22	100.00%	100.00%	0.00%	98.45%	1.55%
Q2-22	100.00%	100.00%	0.00%	99.61%	0.39%

CASE LEVEL TREND

4.A.2. Alternate Modes Of Verification: Component Address [Q1-22 to Q2-22]

APRIL TO JUNE

	SERVICES		STAFFING		TELECOM	
	STANDARD	ALTERNATE	STANDARD	ALTERNATE	STANDARD	ALTERNATE
Q1-22	100.00%	0.00%	93.29%	6.71%	99.75%	0.25%
Q2-22	97.46%	2.54%	94.43%	5.57%	99.55%	0.45%

CASE LEVEL TREND

4.A.2. Alternate Modes Of Verification: Component Address [Q1-22 to Q2-22]

TRAVEL AND HOSPITALITY

	STANDARD	ALTERNATE
Q1-22	99.05%	0.95%
Q2-22	98.59%	1.41%

SCREENING INSIGHTS

- In Q2’22, the most frequent first names screened were Rahul, Abhishek, Shubham, Amit, Priyanka, while the most common last names screened were Kumar, Sharma, Singh, Jain and Gupta.
- First Advantage completes 90 percent of criminal checks in three days and 70 percent in one day.
- First Advantage has screening capabilities in over 140+ 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 mitigate 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

FA CAPABILITIES AND SERVICES

Our verifications identify discrepancies with information provided by candidate. Common discrepancies appear in applications which 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.

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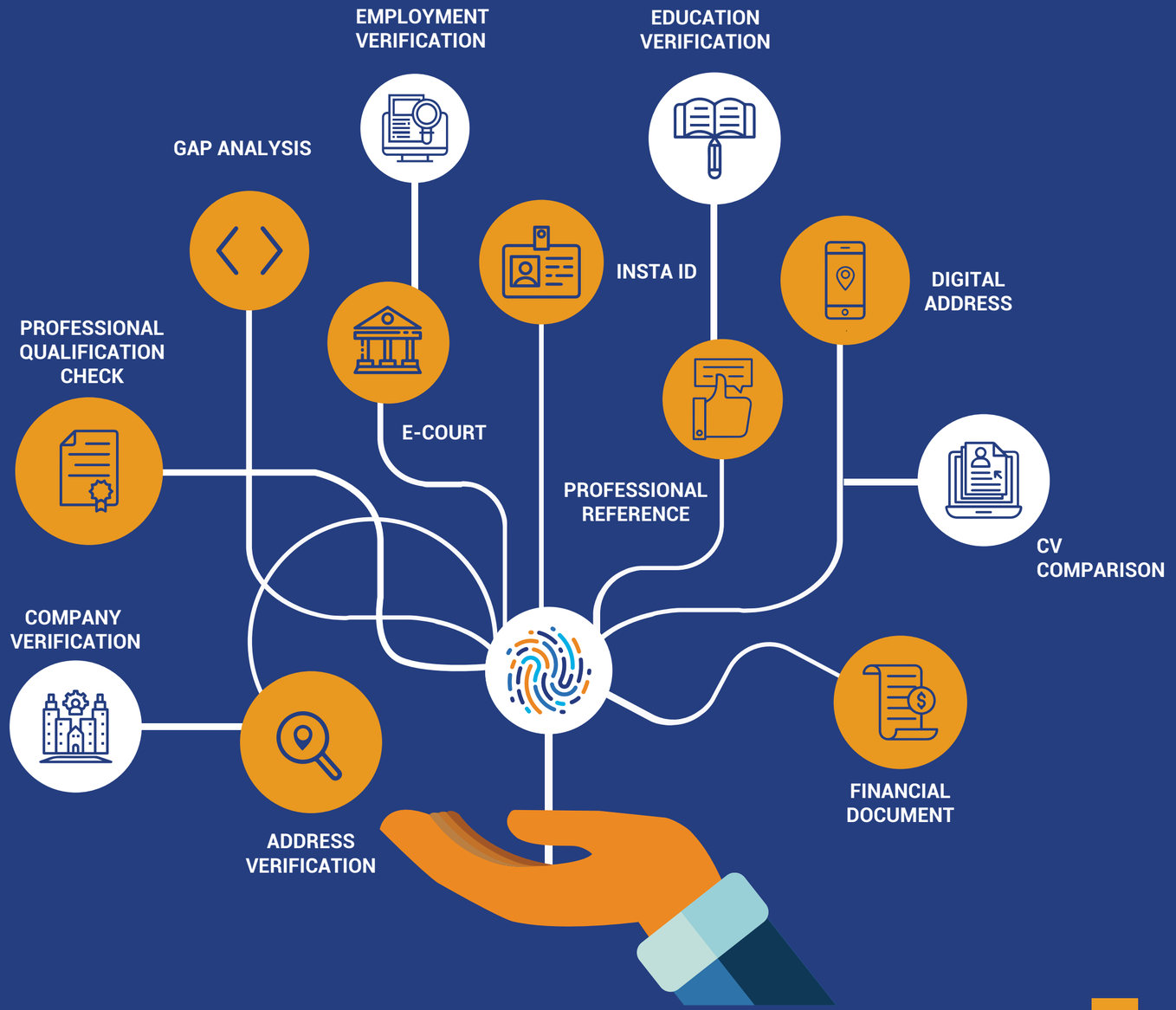

SPECIALIZED SERVICES

01

MSS – Managed Screening Services

Executive Advantage

02

03

Social Media

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