

# Background Screening Trends India

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



# GLOSSARY OF TERMS

APRIL TO JUNE



## 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](http://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,

Amidst the rapid pace of technological advancement, digital solutions have emerged as powerful tools to address complex challenges and revolutionize various aspects of our lives. From streamlining business processes to enhancing communication, digital solutions encompass a wide array of technologies and applications designed to leverage the power of digitalization.

The integration of digital solutions has ushered a new era of efficiency, accuracy, and security for the background screening industry. Businesses now have access to a wealth of information through online databases, powered by AI-driven analysis, while ensuring swift and reliable identity verification services. Integration with applicant tracking systems (ATS) and other HR platforms enables a smooth transfer of data, reducing manual data entry errors and streamlining the overall screening process.

As the background screening industry continues to evolve, it is essential for businesses to embrace digital solutions to remain competitive and protect their most valuable asset - their workforce. By leveraging the power of technology in background screening, companies can make well-informed hiring decisions, foster a secure work environment and pave the way for a successful and sustainable future.

## Highlights of Q1-23

- In Q2-23, Industries such as BFSI, Consulting, Manufacturing, Healthcare & Pharma, Retail and Telecom sectors had discrepancies percentages that are much higher than the overall average of 9.74 percent.
- 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

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APRIL TO JUNE



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# CASE LEVEL TREND

## 1.A. Discrepancy Trends in Moonlighting [Q2-23]

APRIL TO JUNE

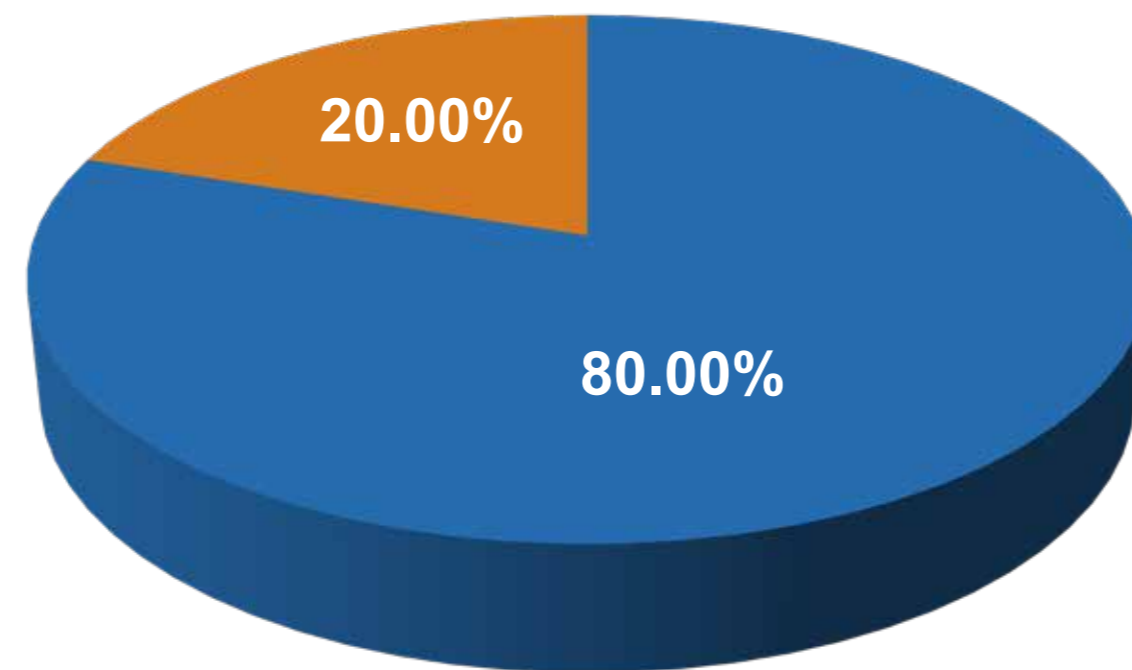


Moonlighting is the act of taking up a job typically in addition to one's regular employment in violation of Company's policies.

### DID YOU KNOW

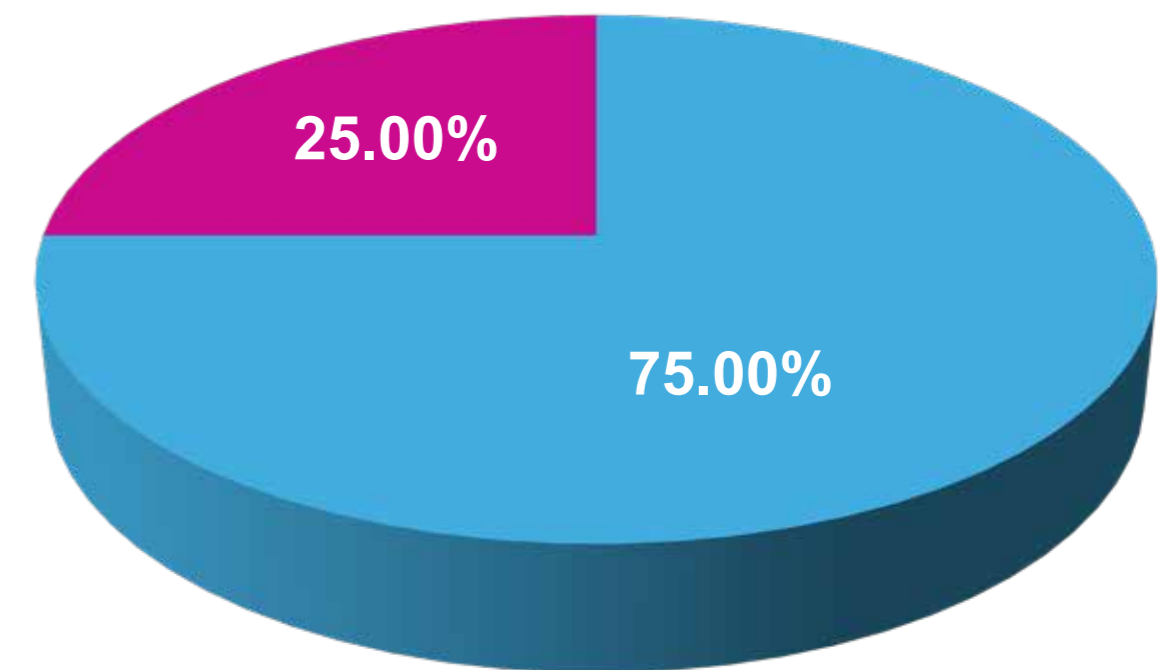
that the IT industry boasts the highest number of candidates engaged in dual employment?

Fascinatingly, the IT industry stands out as the primary hub for undisclosed employment.



CLEAR CASES DISCREPANCY

### Overall Data Analysis



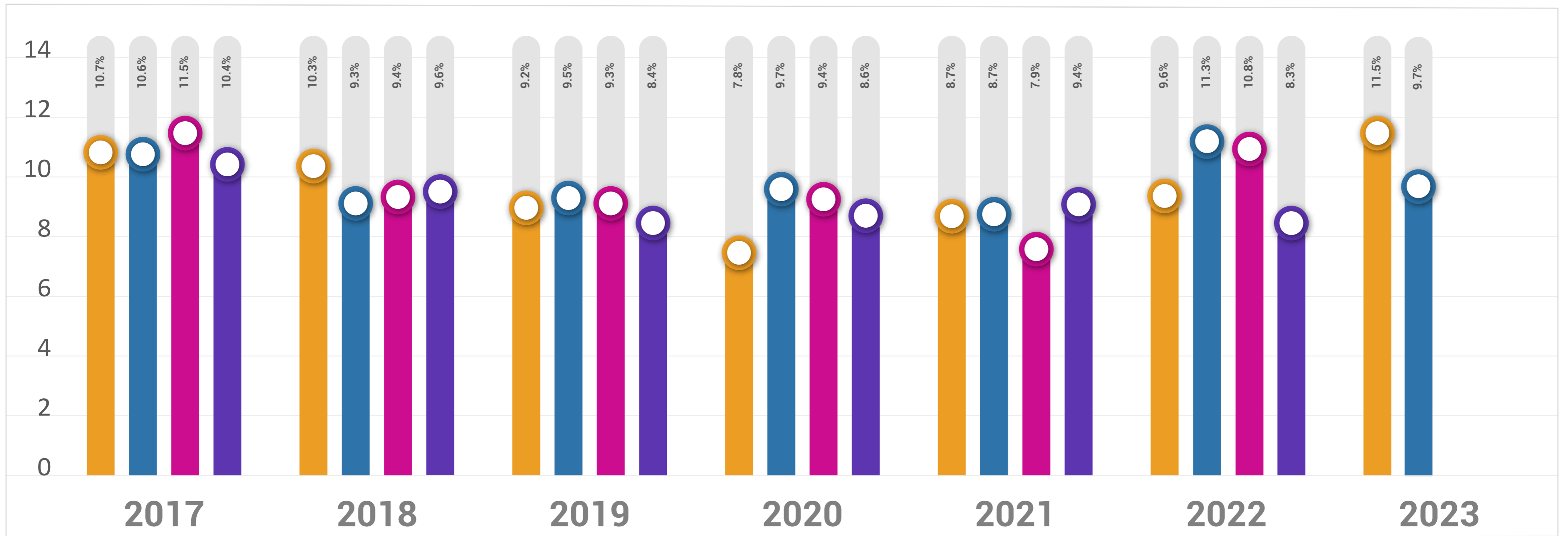
UNDISCLOSED EMPLOYMENT OVERLAP IN EMPLOYMENT

### Discrepancy

# CASE LEVEL TREND

1.B. Discrepancy Percentage - By Quarter  
[Q1-17 to Q2-23]

APRIL TO JUNE



Q1 Q2 Q3 Q4

# CASE LEVEL TREND

## 1.C. Discrepancy Percentage - By Age [Q1-23 to Q2-23]

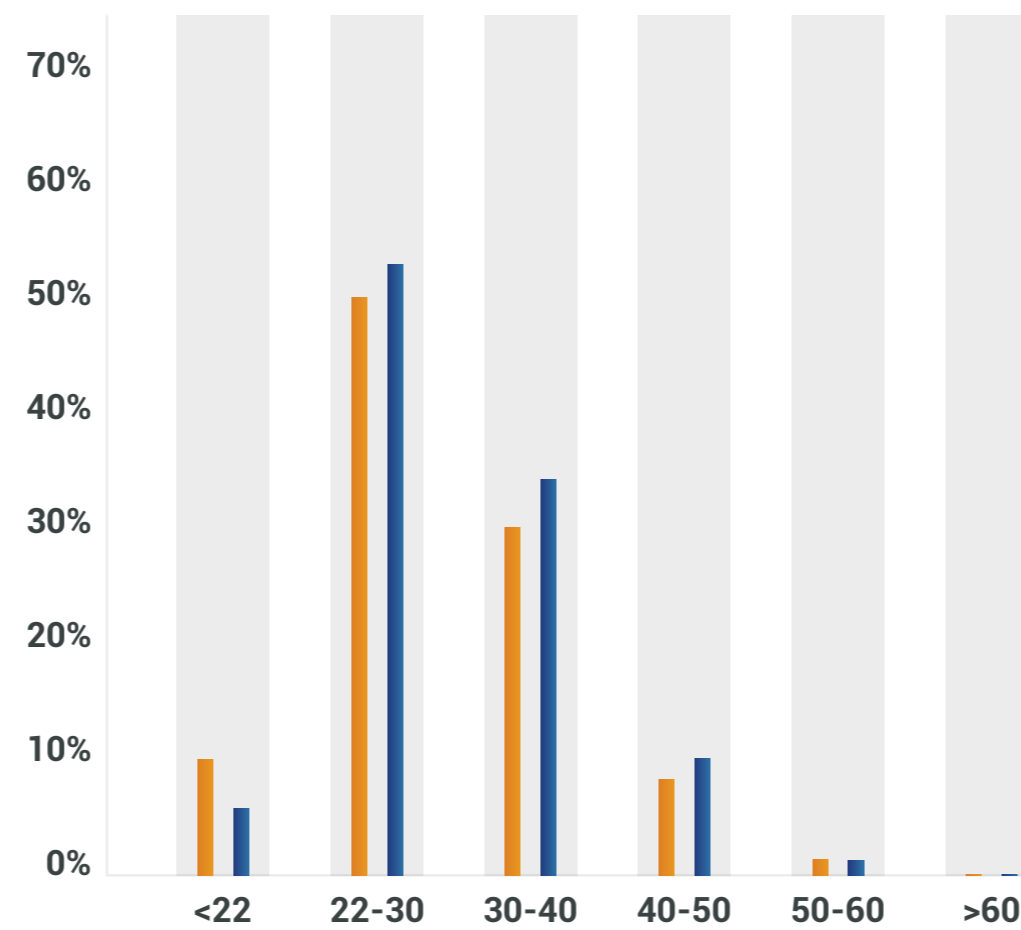
APRIL TO JUNE



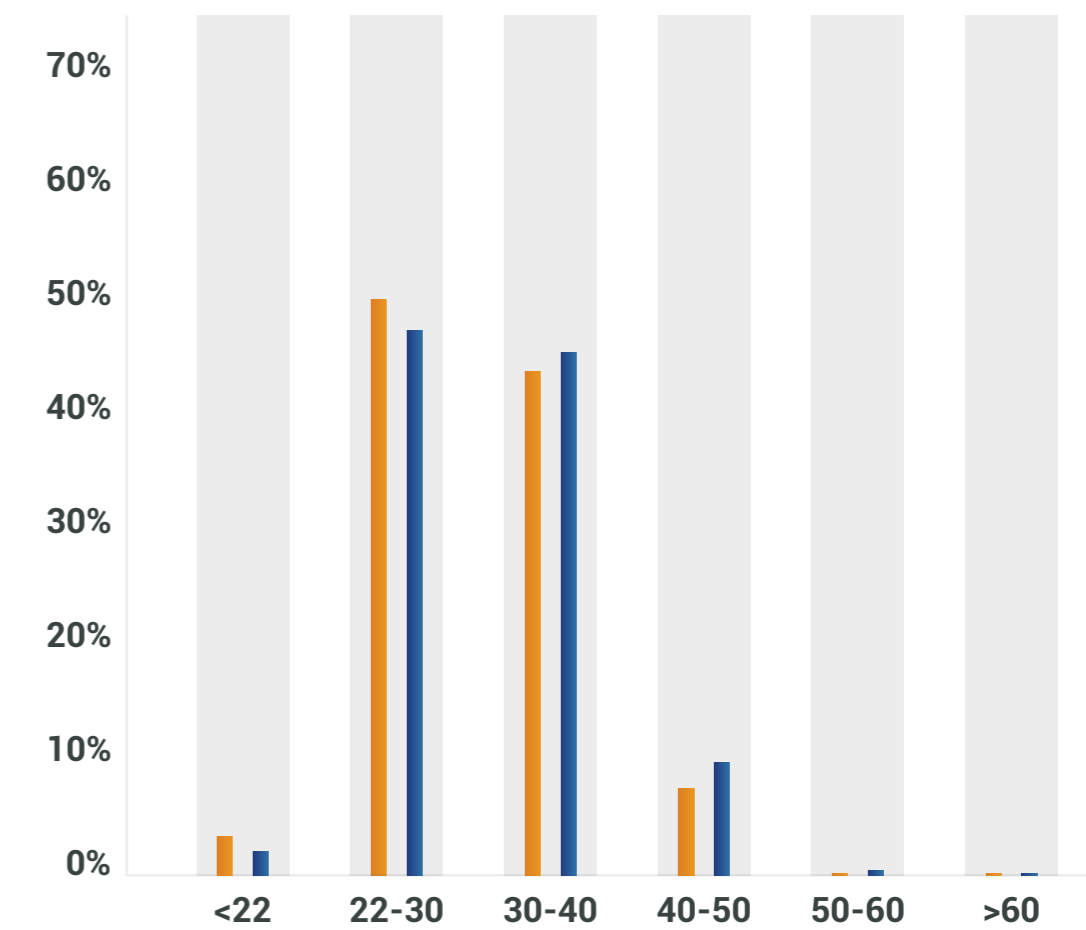
In Q2'23, most of the candidates screened were between the ages of 22 and 30.

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

Q1-23 Q2-23 Discrepancy %



Screenings by Age



Discrepancy by Age

# CASE LEVEL TREND

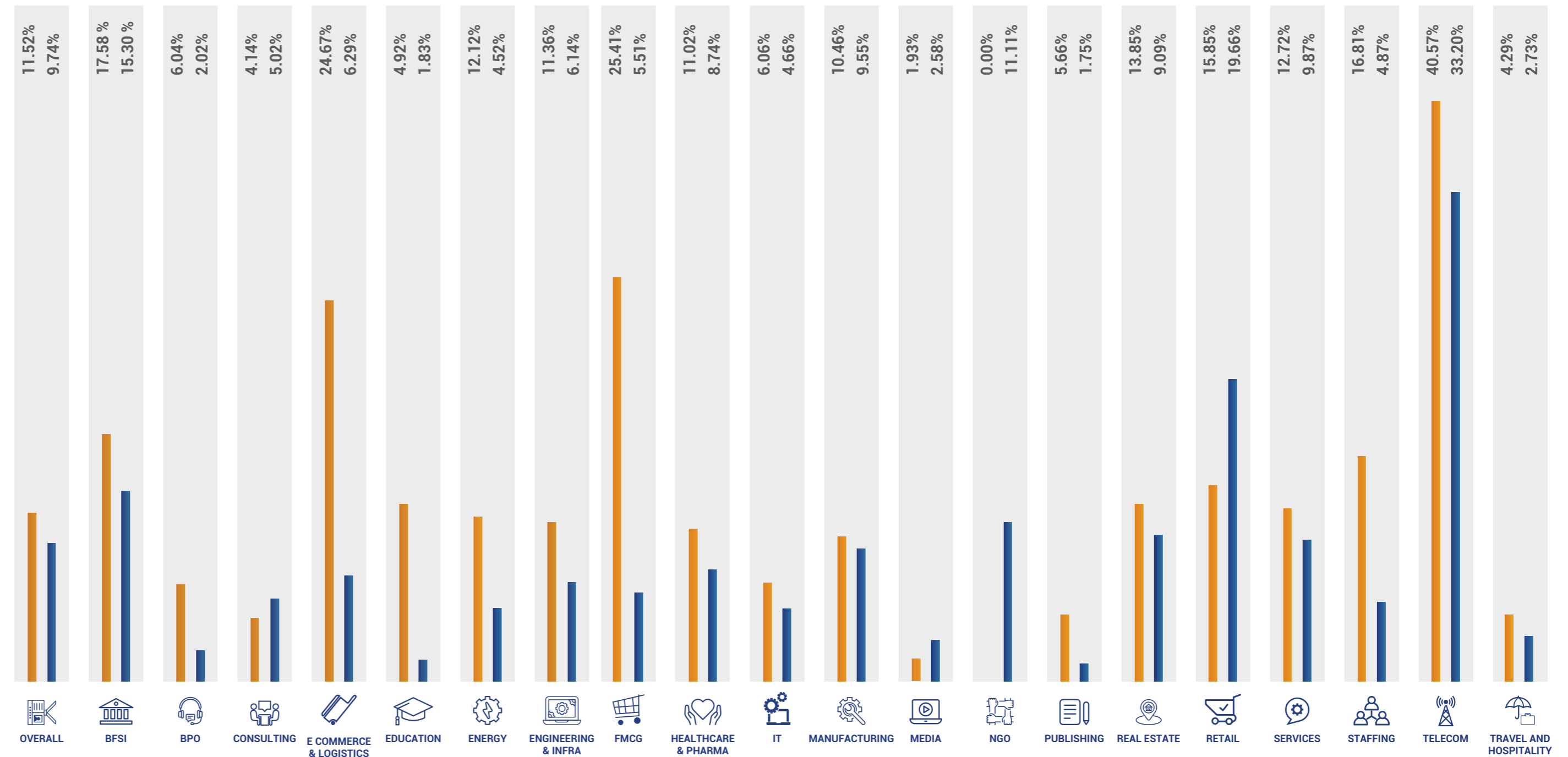
## 1.D. Discrepancy Percentage - By Industry [Q1-23 to Q2-23]

APRIL TO JUNE



In Q2-23, Industries such as BFSI, Consulting, Manufacturing, Healthcare & Pharma, Retail and Telecom sectors had discrepancy percentages that are much higher than the overall average of 9.74 percent.

Retail and Consulting Industries had higher discrepancies compared to Q1-23.





# CASE LEVEL TREND

## 1.E. Case and Component Discrepancy Percentage [Q1-23 to Q2-23]

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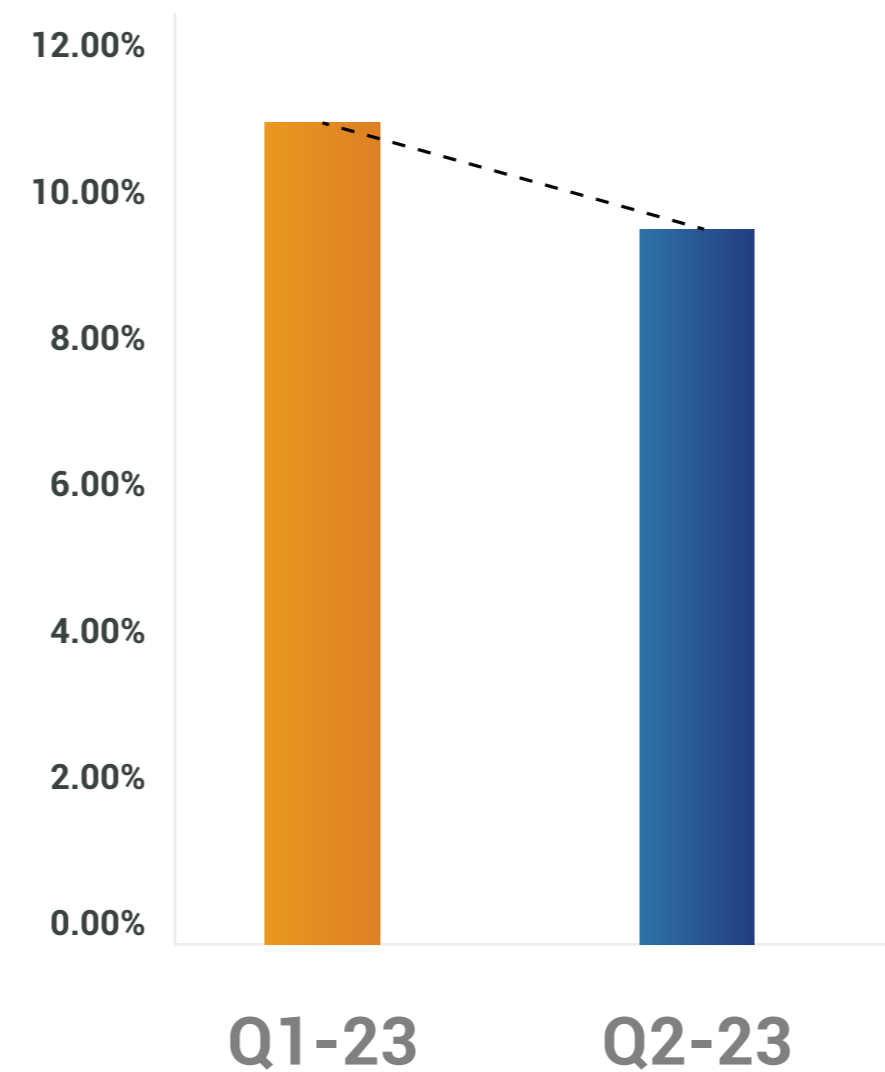
Case Discrepancy - Over 9 percent of candidates screened in Q2 2023 have noted discrepancies, i.e., 15 percent increase as compared to Q1-23.

CV comparison revealed a significant decrease in noted discrepancies of 3 percent in Q2'23 compared to Q1'23.

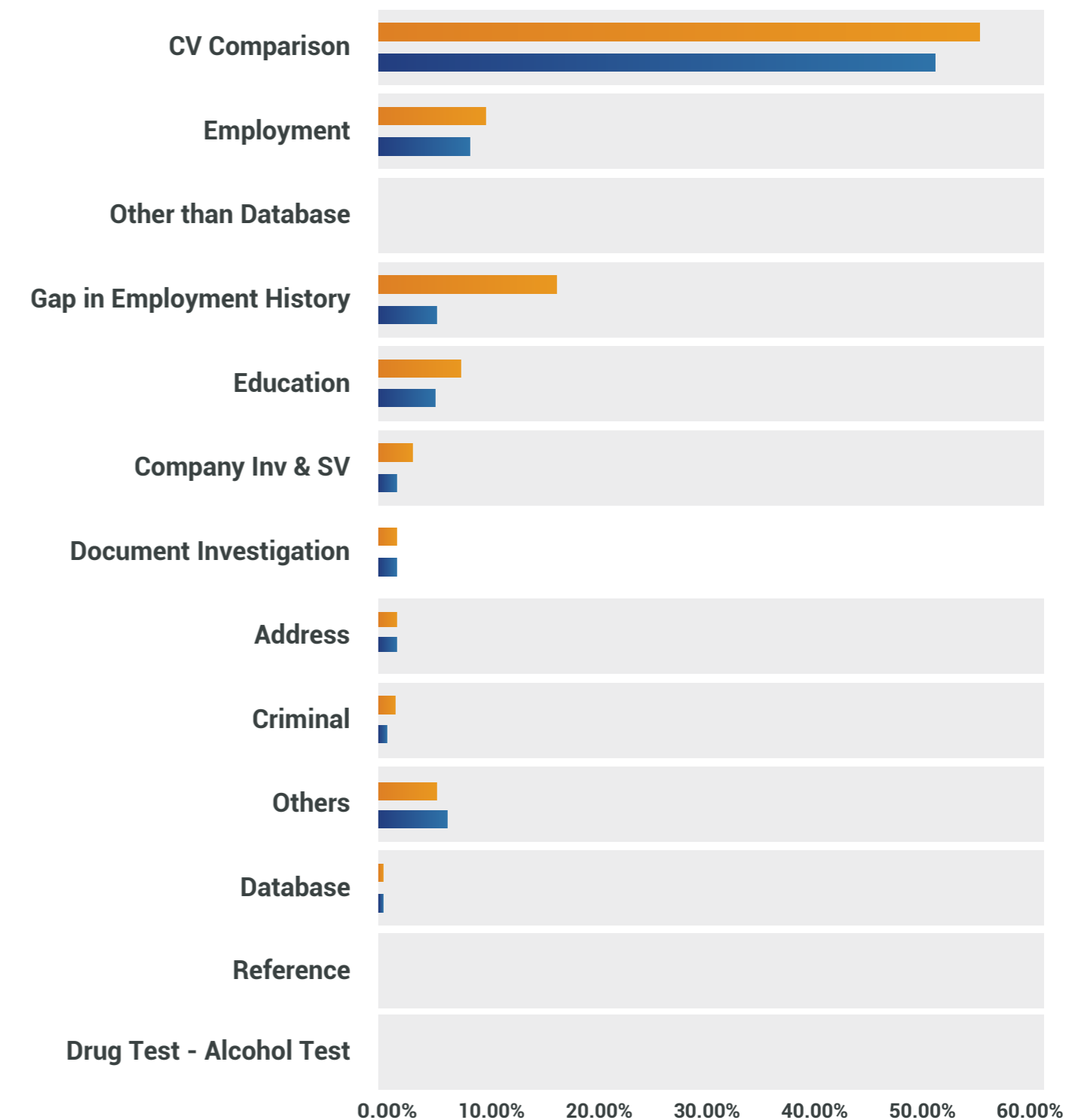
Education discrepancy decreased from 4.84 percent to 4.11 percent compared to Q1'23.

Decreased difference in Address and Criminal screenings by 4 percent and 25 percent, respectively.

Q1-23 Q2-23 Discrepancy %



**Case Discrepancy**

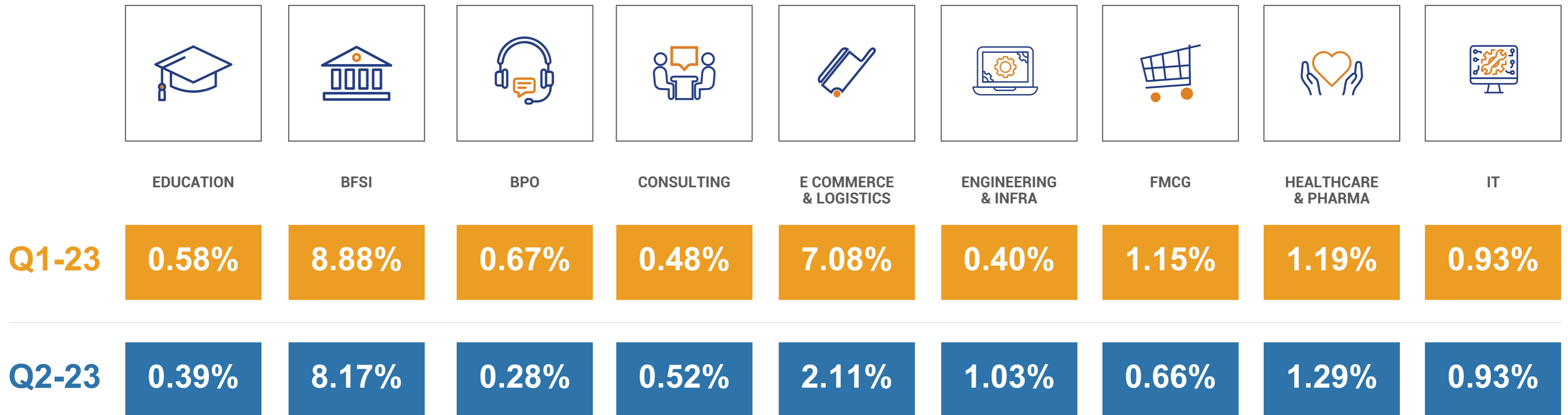


# CASE LEVEL TREND

## 2.A. Discrepancy Percentage - By Industry by Component Education [Q1-23 to Q2-23]



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BFSI, Consulting, Healthcare & Pharma and Retail industries have showed a rise in discrepancy in Q2-23.

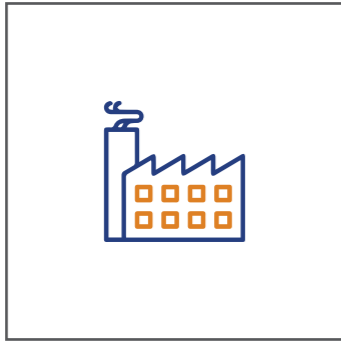








# CASE LEVEL TREND

## 2.A. Discrepancy Percentage - By Industry by Component Education [Q1-23 to Q2-23]



APRIL TO JUNE



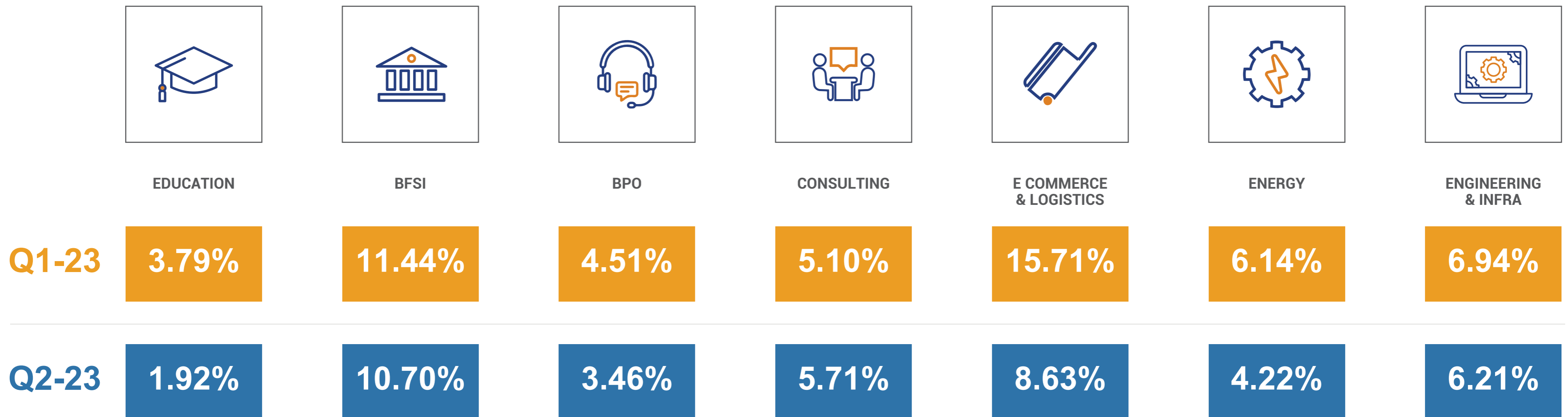
									
	MANUFACTURING	MEDIA	PUBLISHING	REAL ESTATE	RETAIL	SERVICES	STAFFING	TELECOM	TRAVEL AND HOSPITALITY
Q1-23	1.02%	0.82%	2.11%	2.17%	11.91%	4.77%	1.57%	4.40%	2.75%
Q2-23	0.79%	1.41%	0.00%	4.00%	9.98%	3.25%	1.27%	4.01%	1.59%

# CASE LEVEL TREND

## 2.B. Discrepancy Percentage - By Industry by Component Employment [Q1-23 to Q2-23]



APRIL TO JUNE



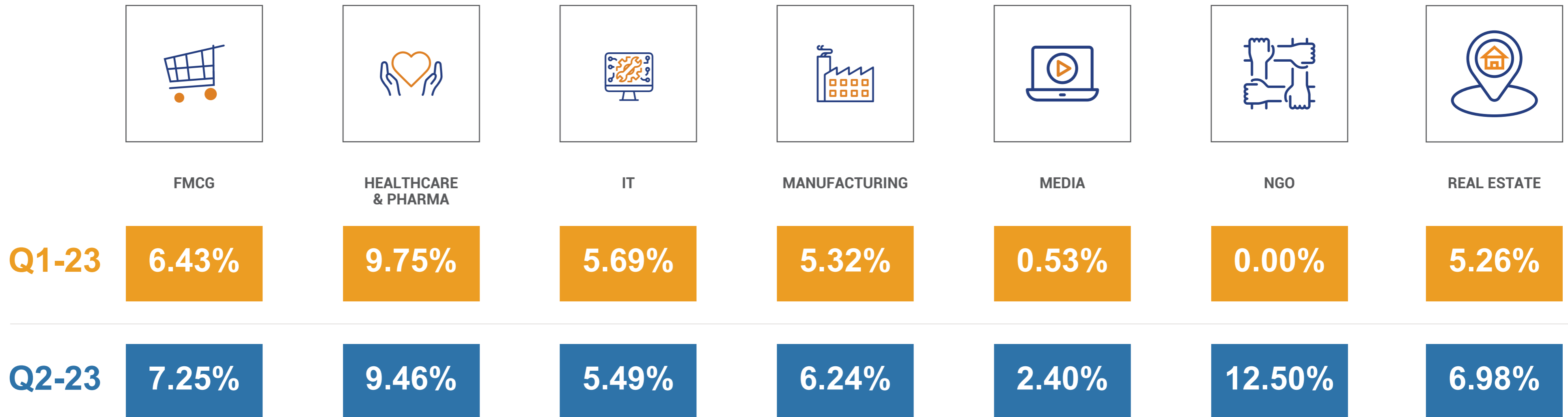
Consulting, FMCG, Manufacturing, Retail, and Telecom sectors leads to rise in discrepancy in Q2-23 compared to Q1-23.

# CASE LEVEL TREND

## 2.B. Discrepancy Percentage - By Industry by Component Employment [Q1-23 to Q2-23]



APRIL TO JUNE

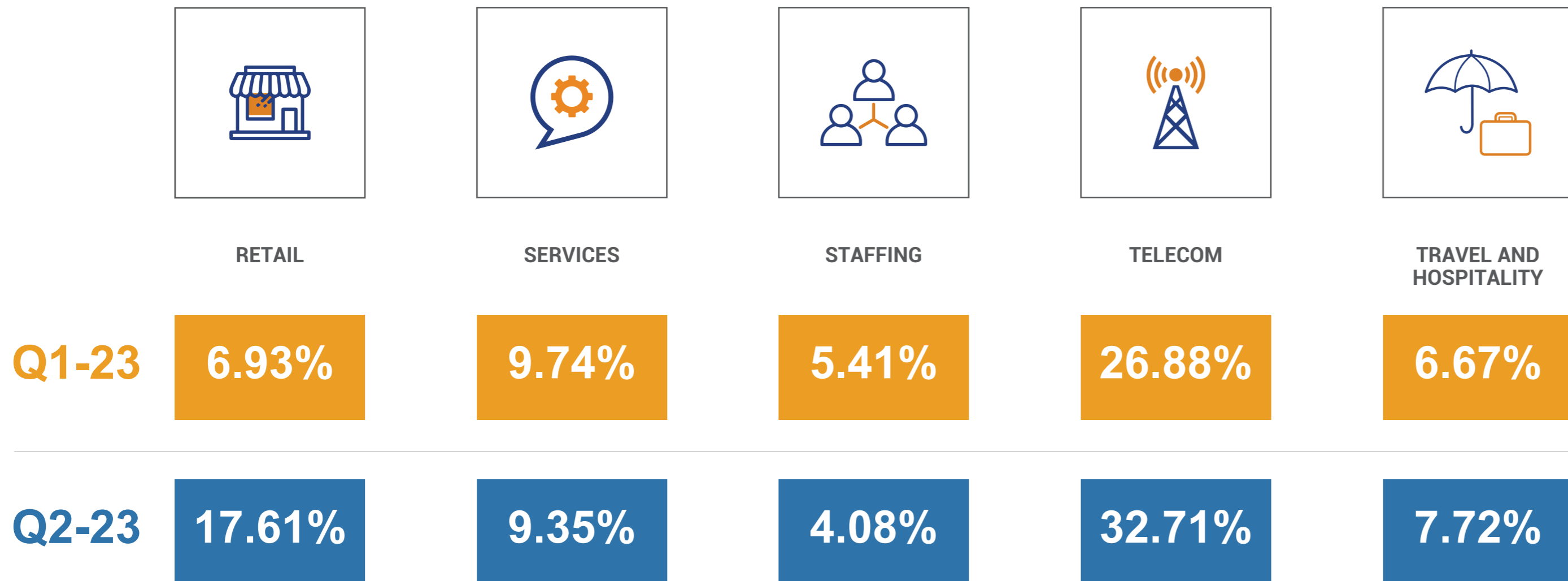


# CASE LEVEL TREND

2.B. Discrepancy Percentage - By Industry by Component Employment  
[Q1-23 to Q2-23]



APRIL TO JUNE

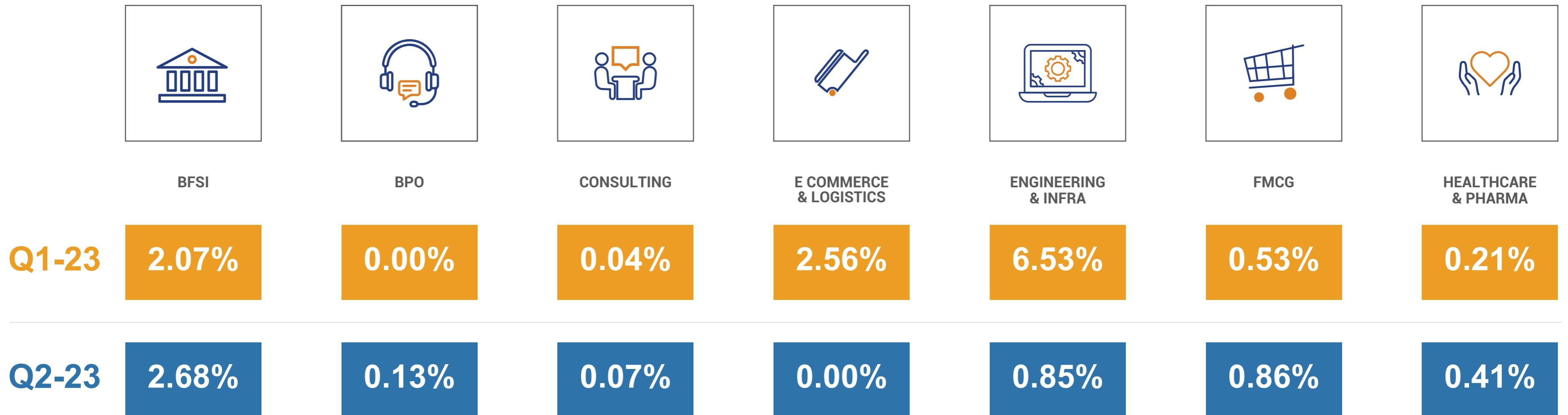


# CASE LEVEL TREND

2.C. Discrepancy Percentage - By Industry by Component Address  
[Q1-23 to Q2-23]



APRIL TO JUNE



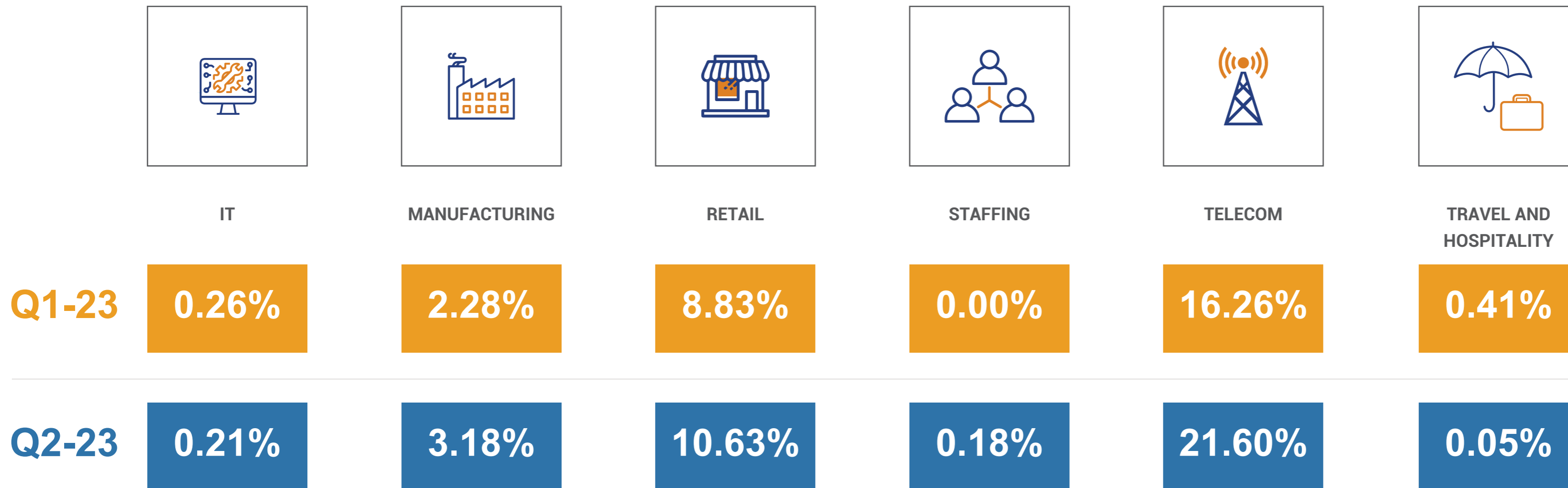
Sectors like BFSI, FMCG, Manufacturing, Retail & Telecom have demonstrated a significant increase in discrepancy in Q2-23 compared to Q1-23.

# CASE LEVEL TREND

2.C. Discrepancy Percentage - By Industry by Component Address  
[Q1-23 to Q2-23]



APRIL TO JUNE





# CASE LEVEL TREND

## 3.A.1. Alternate Modes Of Verification: Component Employment [Q1-23 to Q2-23]

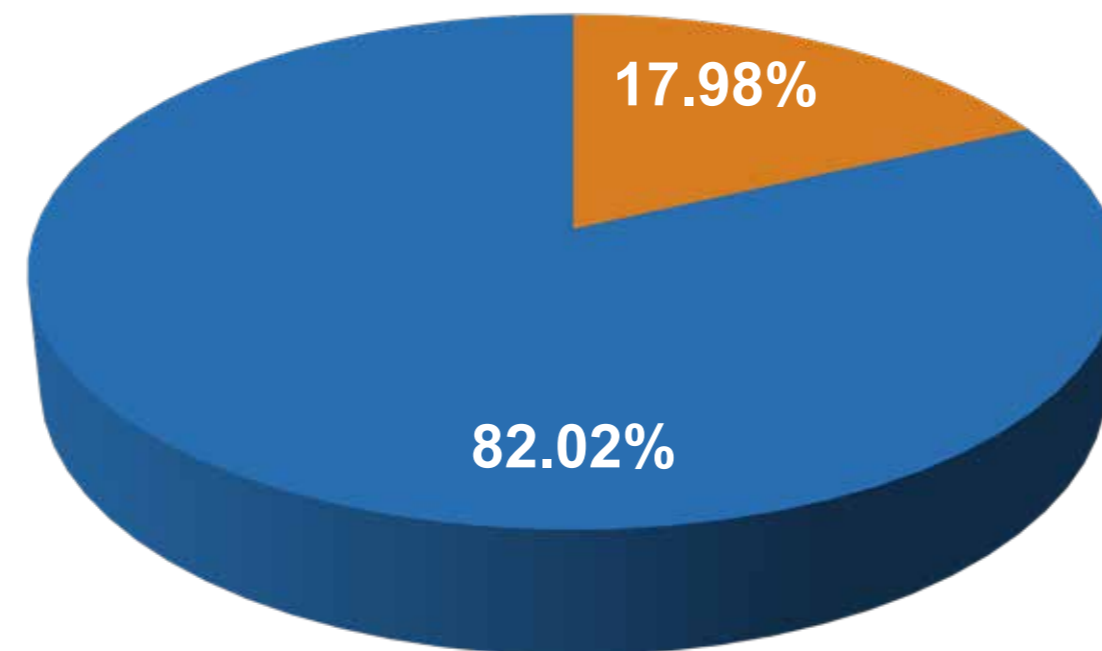


APRIL TO JUNE

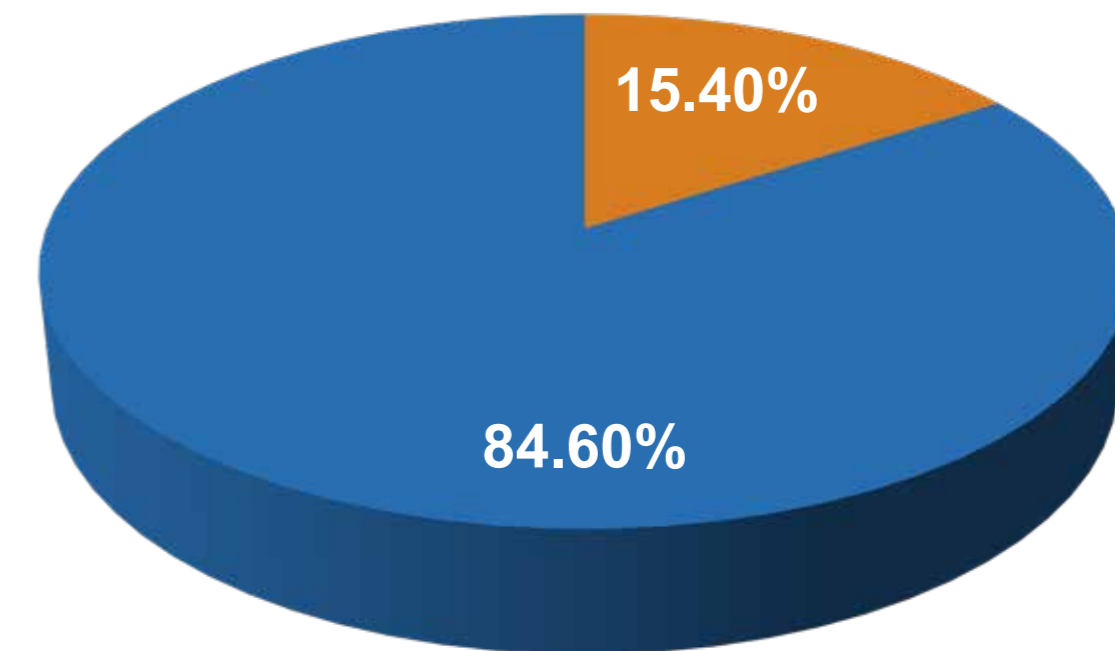


15 out of every 100 Employment Verifications were conducted through the alternate modes of verification.

■ STANDARD ■ ALTERNATE



Q1-23



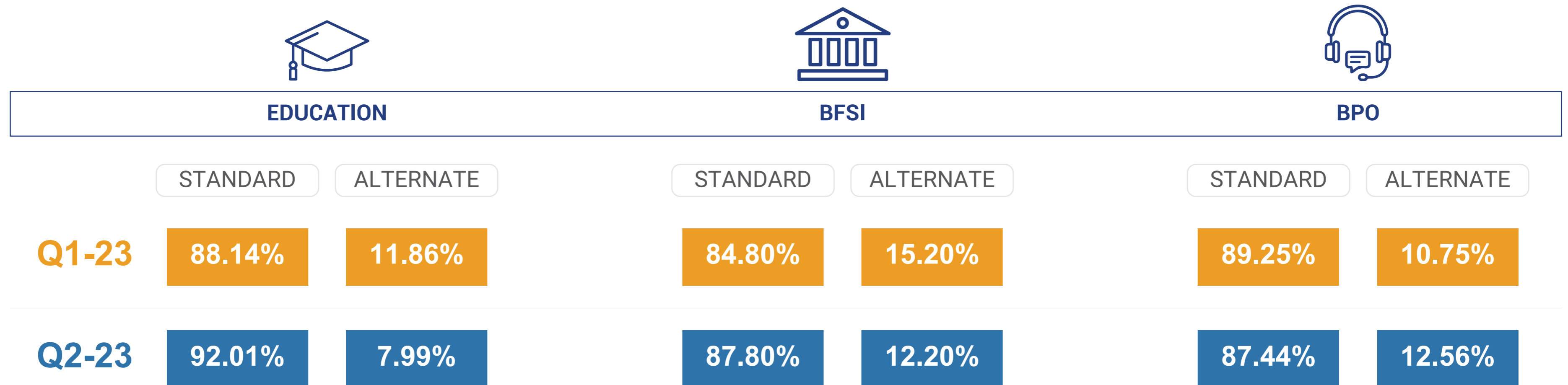
Q2-23

# CASE LEVEL TREND

## 3.A.2. Alternate Modes Of Verification: Component Employment [Q1-23 to Q2-23]



APRIL TO JUNE



In Q2-23, sectors like Consulting, BPO, FMCG, 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 [Q1-23 to Q2-23]



APRIL TO JUNE



### CONSULTING

STANDARD

ALTERNATE

**Q1-22**

86.33%

13.67%

**Q2-23**

84.06%

15.94%



### E COMMERCE & LOGISTICS

STANDARD

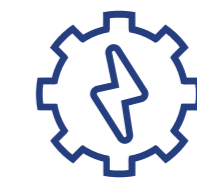
ALTERNATE

73.09%

26.91%

77.11%

22.89%



### ENERGY

STANDARD

ALTERNATE

71.11%

28.89%

81.93%

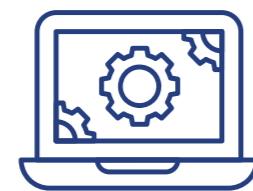
18.07%

# CASE LEVEL TREND

## 3.A.2. Alternate Modes Of Verification: Component Employment [Q1-23 to Q2-23]



APRIL TO JUNE



### ENGINEERING & INFRA

STANDARD

ALTERNATE

**Q1-23**

68.50%

31.50%

**Q2-23**

80.73%

19.27%



### FMCG

STANDARD

ALTERNATE

79.66%

20.34%

77.67%

22.33%



### HEALTHCARE & PHARMA

STANDARD

ALTERNATE

78.36%

21.64%

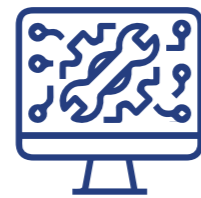
76.87%

23.13%

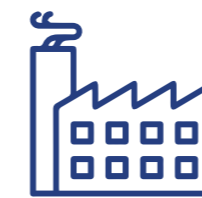
# CASE LEVEL TREND

## 3.A.2. Alternate Modes Of Verification: Component Employment [Q1-23 to Q2-23]

APRIL TO JUNE



IT



MANUFACTURING



MEDIA

STANDARD

ALTERNATE

Q1-23

81.16%

18.84%

STANDARD

ALTERNATE

70.67%

29.33%

STANDARD

ALTERNATE

65.70%

34.30%

Q2-23

83.99%

16.01%

84.09%

15.91%

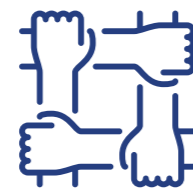
76.05%

23.95%

# CASE LEVEL TREND

## 3.A.2. Alternate Modes Of Verification: Component Employment [Q1-23 to Q2-23]

APRIL TO JUNE



NGO



REAL ESTATE



RETAIL

STANDARD

STANDARD

ALTERNATE

STANDARD

ALTERNATE

Q1-23

91.67%

8.33%

52.83%

47.17%

61.57%

38.43%

Q2-23

100.00%

0.00%

62.79%

37.21%

69.38%

30.62%

# CASE LEVEL TREND

## 3.A.2. Alternate Modes Of Verification: Component Employment [Q1-23 to Q2-23]

APRIL TO JUNE



### SERVICES



### STAFFING



### TELECOM

STANDARD

ALTERNATE

**Q1-23**

89.61%

10.39%

STANDARD

ALTERNATE

86.41%

13.59%

STANDARD

ALTERNATE

82.93%

17.07%

**Q2-23**

95.04%

4.96%

91.99%

8.01%

88.46%

11.54%

# CASE LEVEL TREND

## 3.A.2. Alternate Modes Of Verification: Component Employment [Q1-23 to Q2-23]



APRIL TO JUNE



### TRAVEL AND HOSPITALITY

STANDARD

ALTERNATE

Q1-23

69.91%

30.09%

Q2-23

74.78%

25.22%



### PUBLISHING

STANDARD

ALTERNATE

95.83%

4.17%

92.86%

7.14%



# CASE LEVEL TREND

## 4.A.1. Alternate Modes Of Verification: Component Address [Q1-23 to Q2-23]

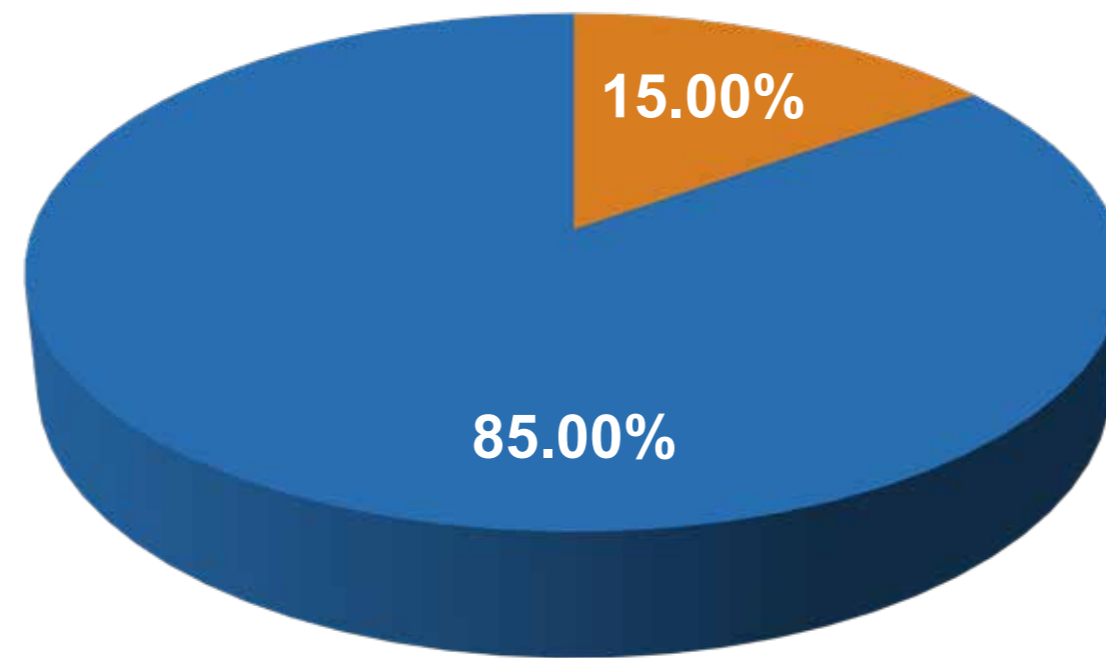


APRIL TO JUNE

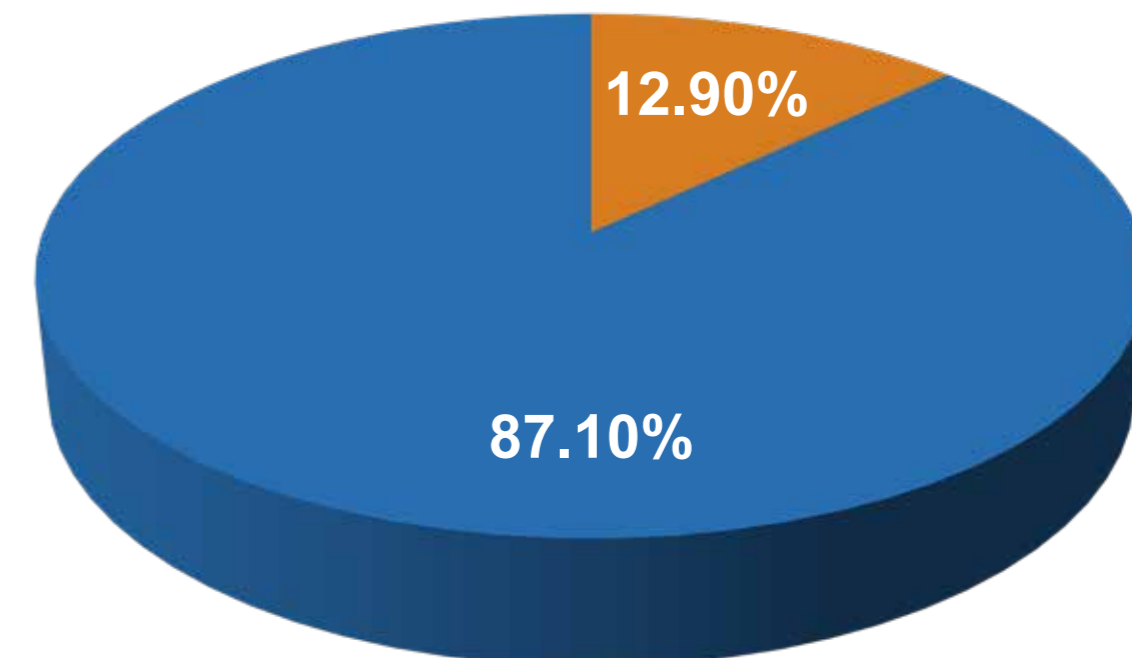


13 out of every 100 Address Verifications were conducted through the alternate modes of verification.

■ STANDARD ■ ALTERNATE



Q1-23



Q2-23

# CASE LEVEL TREND

## 4.A.2. Alternate Modes Of Verification: Component Address [Q1-23 to Q2-23]

APRIL TO JUNE



EDUCATION



BFSI



BPO

STANDARD

ALTERNATE

Q1-23

14.44%

85.56%

STANDARD

ALTERNATE

96.76%

3.24%

STANDARD

ALTERNATE

99.42%

0.58%

Q2-23

7.14%

92.86%

97.03%

2.97%

97.61%

2.39%

In Q2-23, sectors like IT, Consulting, Education, BPO 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 [Q1-23 to Q2-23]

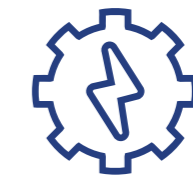
APRIL TO JUNE



### CONSULTING



### E COMMERCE & LOGISTICS



### ENERGY

STANDARD

ALTERNATE

**Q1-23**

83.78%

16.22%

STANDARD

ALTERNATE

100.00%

0.00%

STANDARD

ALTERNATE

100.00%

0.00%

**Q2-23**

80.08%

19.92%

99.66%

0.34%

9.71%

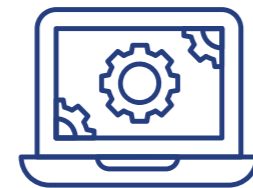
90.29%

# CASE LEVEL TREND

## 4.A.2. Alternate Modes Of Verification: Component Address [Q1-23 to Q2-23]



APRIL TO JUNE



### ENGINEERING & INFRA

STANDARD

ALTERNATE

Q1-23

96.55%

3.45%

Q2-23

97.54%

2.46%



### FMCG

STANDARD

100.00%

100.00%



### HEALTHCARE & PHARMA

STANDARD

ALTERNATE

98.77%

1.23%

97.69%

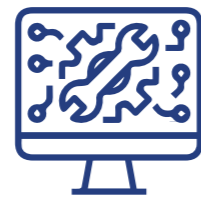
2.31%

# CASE LEVEL TREND

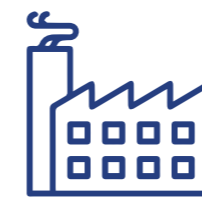
## 4.A.2. Alternate Modes Of Verification: Component Address [Q1-23 to Q2-23]



APRIL TO JUNE



IT



MANUFACTURING



MEDIA

STANDARD

ALTERNATE

Q1-23

67.70%

32.30%

STANDARD

ALTERNATE

87.90%

12.10%

STANDARD

ALTERNATE

88.89%

11.11%

Q2-23

74.38%

25.62%

99.56%

0.44%

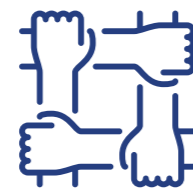
100.00%

0.00%

# CASE LEVEL TREND

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

APRIL TO JUNE



NGO



RETAIL



SERVICES

STANDARD

Q1-23

100.00%

STANDARD

100.00%

ALTERNATE

0.00%

STANDARD

99.75%

ALTERNATE

0.25%

Q2-23

100.00%

99.66%

0.34%

100.00%

0.00%

# CASE LEVEL TREND

## 4.A.2. Alternate Modes Of Verification: Component Address [Q1-23 to Q2-23]

APRIL TO JUNE



### STAFFING



### TELECOM



### TRAVEL AND HOSPITALITY

STANDARD

ALTERNATE

Q1-23

89.96%

10.04%

STANDARD

100.00%

STANDARD

ALTERNATE

99.89%

0.11%

Q2-23

80.22%

19.78%

100.00%

99.95%

0.05%

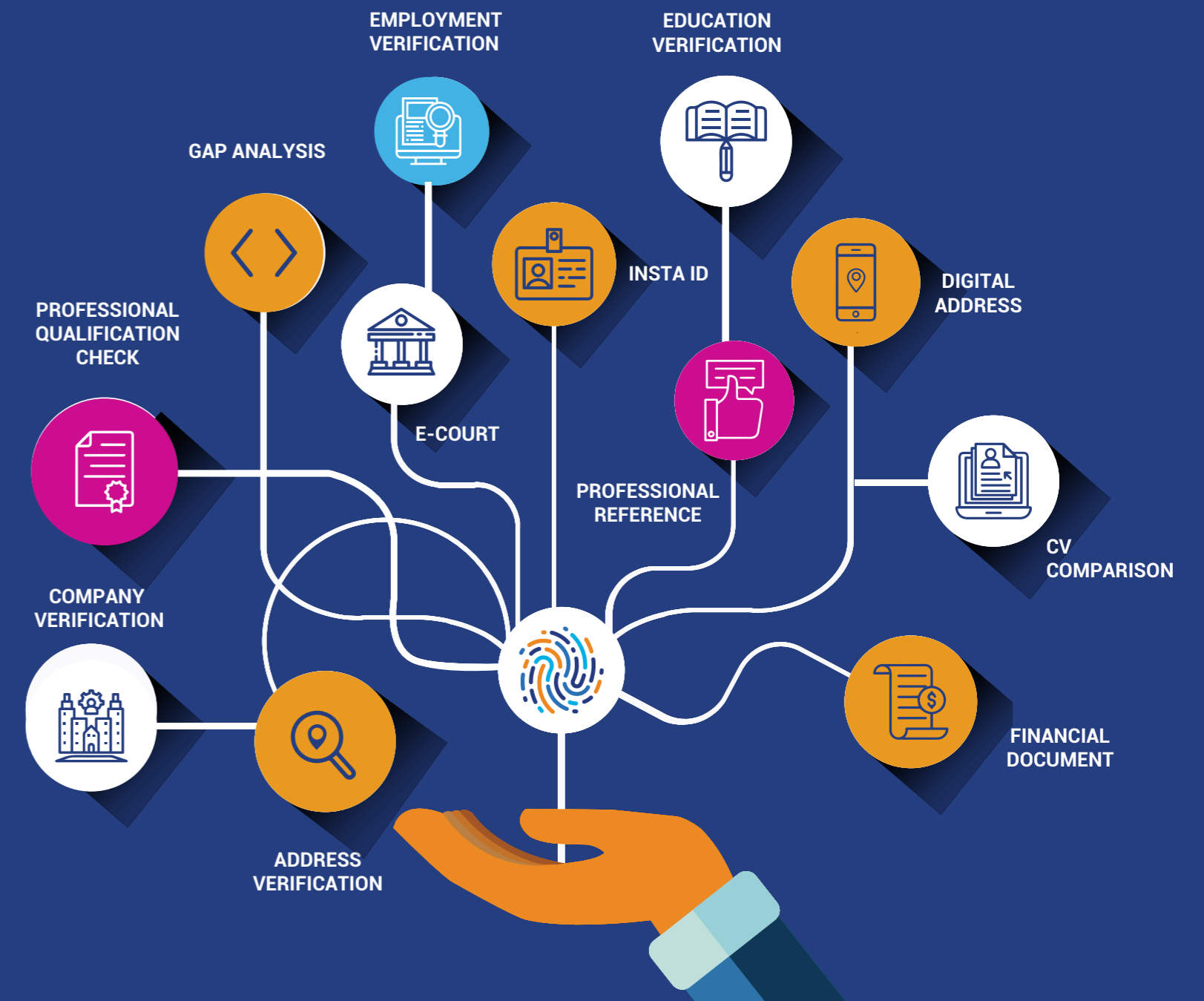
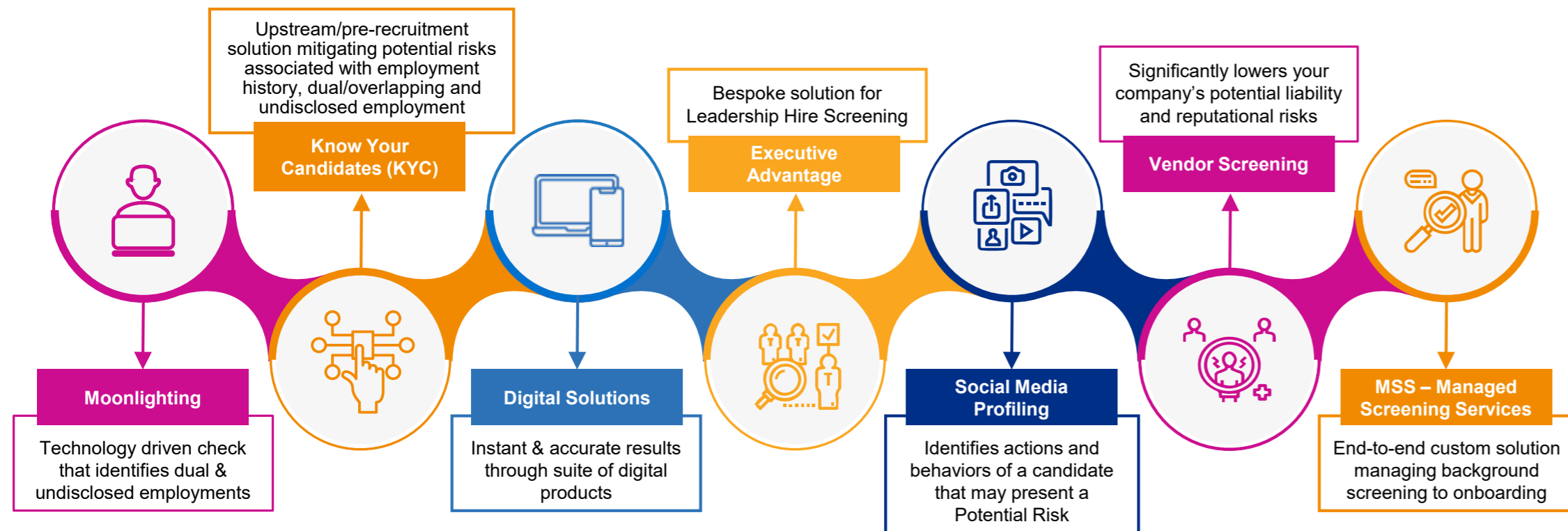


- △ In Q2'23, the most frequent first names screened were Rahul, Abhishek, Amit, Shubham and Rohit while the most common last names screened were Kumar, Singh, Sharma, Reddy and Gupta.
- △ First Advantage has screening capabilities in over 200+ countries, with candidates who would have lived in other countries and are hired in India.
- △ USA, Australia, Canada, UK and Srilanka are top countries screened for candidates working in India.
- △ Discrepancy in background screening was majorly at Associate Level.



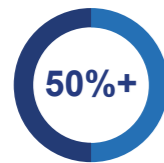
# FA CAPABILITIES AND SERVICES

APRIL TO JUNE



# LEADER IN BACKGROUND SCREENING

APRIL TO JUNE



**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 employment background screening and verification solutions. The Company delivers innovative services and insights that help customers manage risk and hire the best talent. Enabled by its proprietary technology, First Advantage's products help companies protect their brands and provide safer environments for their customers and their most important resources: employees, contractors, contingent workers, tenants, and drivers. Headquartered in Atlanta, Georgia, First Advantage performs screens in over 200 countries and territories on behalf of its approximately 33,000 customers. 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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