

# Background Screening Trends India

JULY TO SEPTEMBER



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

# GLOSSARY OF TERMS

JULY TO SEPTEMBER

## 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.

“

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

”



# FOREWORD

## Dear Readers,

Since businesses are pursuing a variety of expansion strategies, organizations all around the globe have chosen digital transformations to increase the agility and speed of their operational processes. Businesses are looking beyond macro trends like managing company risk and assuring compliance in the recruiting process and focusing on micro-trends.

The importance of background verification, therefore, stands more pertinent than before in light of the current market conditions where several large organizations have made employee KYC mandatory for hiring.

Along the applicant journey and beyond, leading HR teams around the globe to rely on First Advantage for screening, verifications, safety and compliance. Striking the balance between tech and people, our innovations help you **“Hire Smarter and Onboard Faster”**.

## Highlights of Q3-22

- In Q3-22, industries such as Manufacturing, Healthcare & Pharma, Education and Telecom, showed substantially greater discrepancy percentages than the overall average of 10.8%.
- Discrepancy percentage in the Manufacturing sector increased from 7.5% in Q2-22 to 9.51% in Q3-22.
- For Employment Verifications: IT, Manufacturing and FMCG sectors have shown a higher inclination towards alternative 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

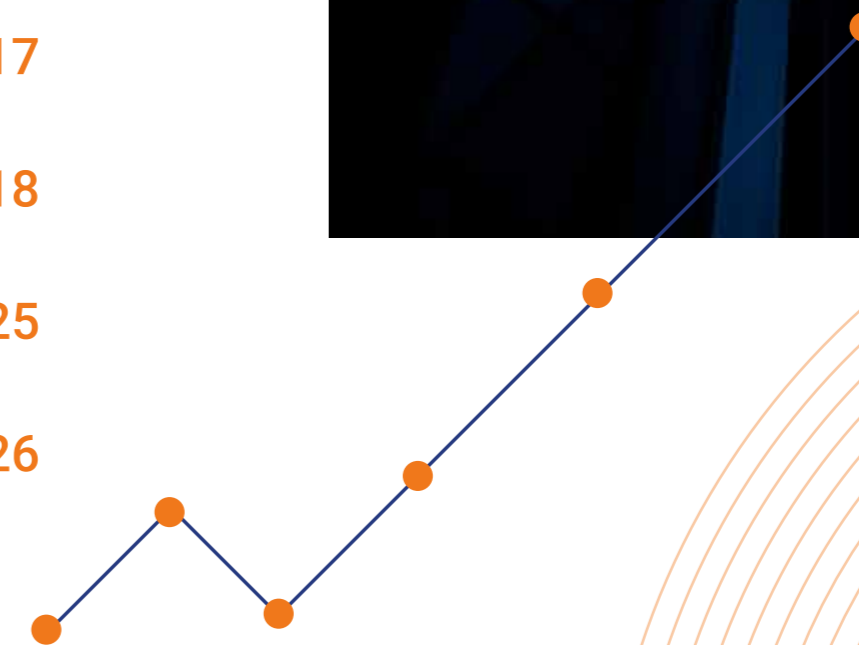
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[Amit.Singh3@fadv.com](mailto:Amit.Singh3@fadv.com)



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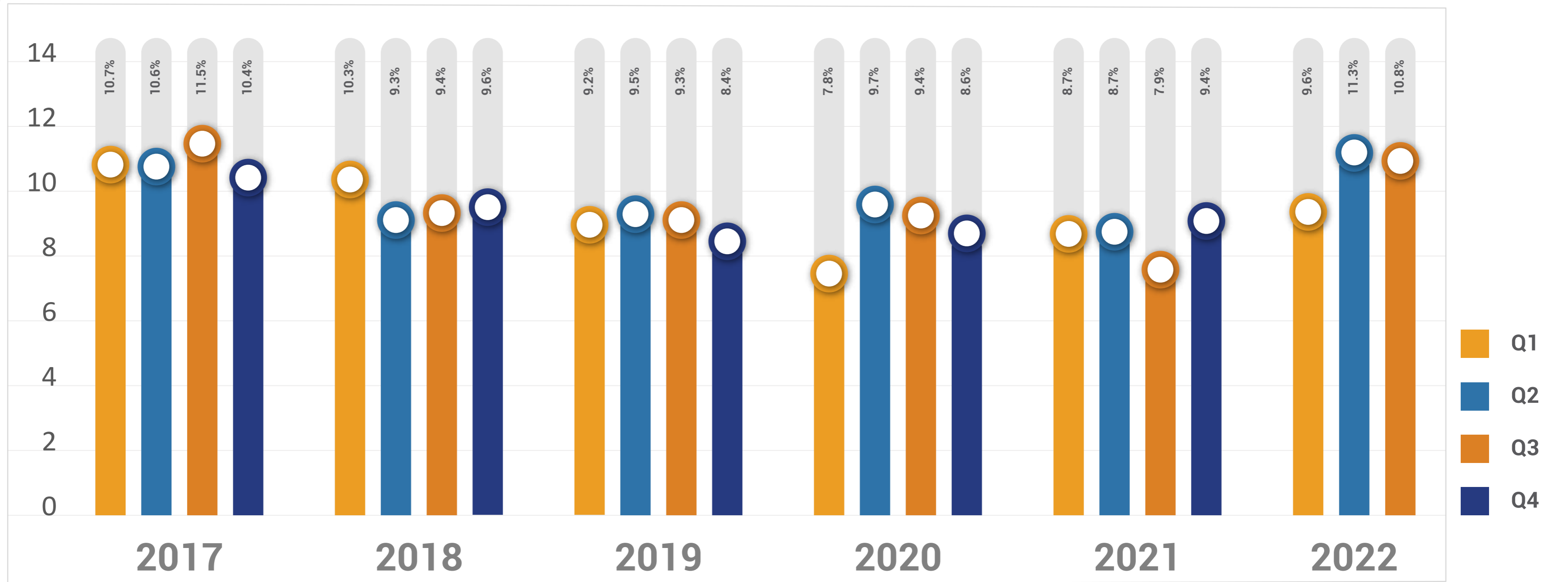
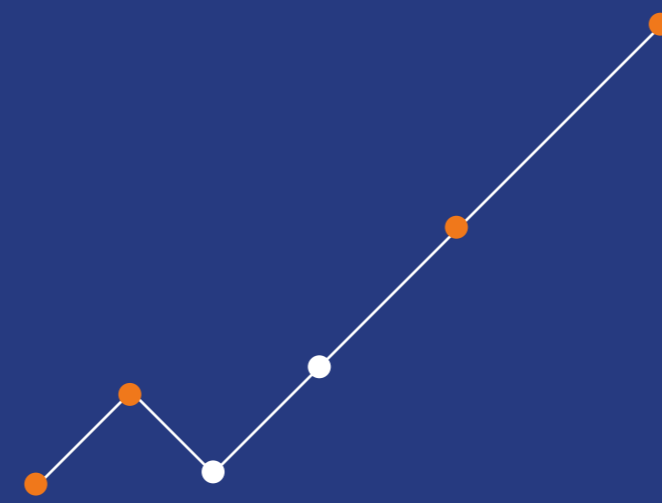
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# CASE LEVEL TREND

## 1.A. Discrepancy Percentage - By Quarter [Q1-17 to Q3-22]

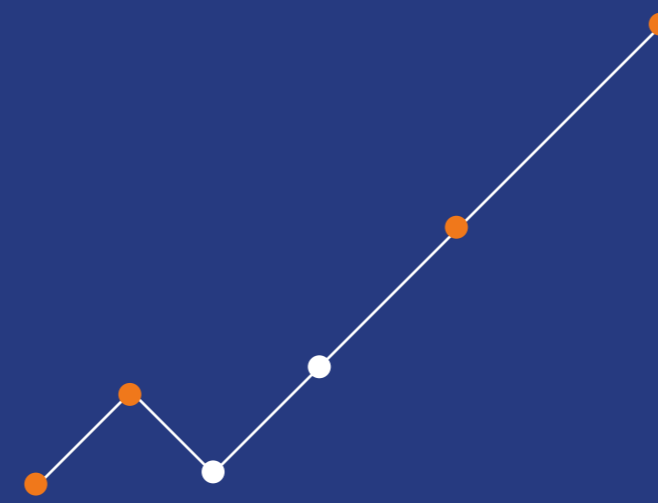
JULY TO SEPTEMBER



# CASE LEVEL TREND

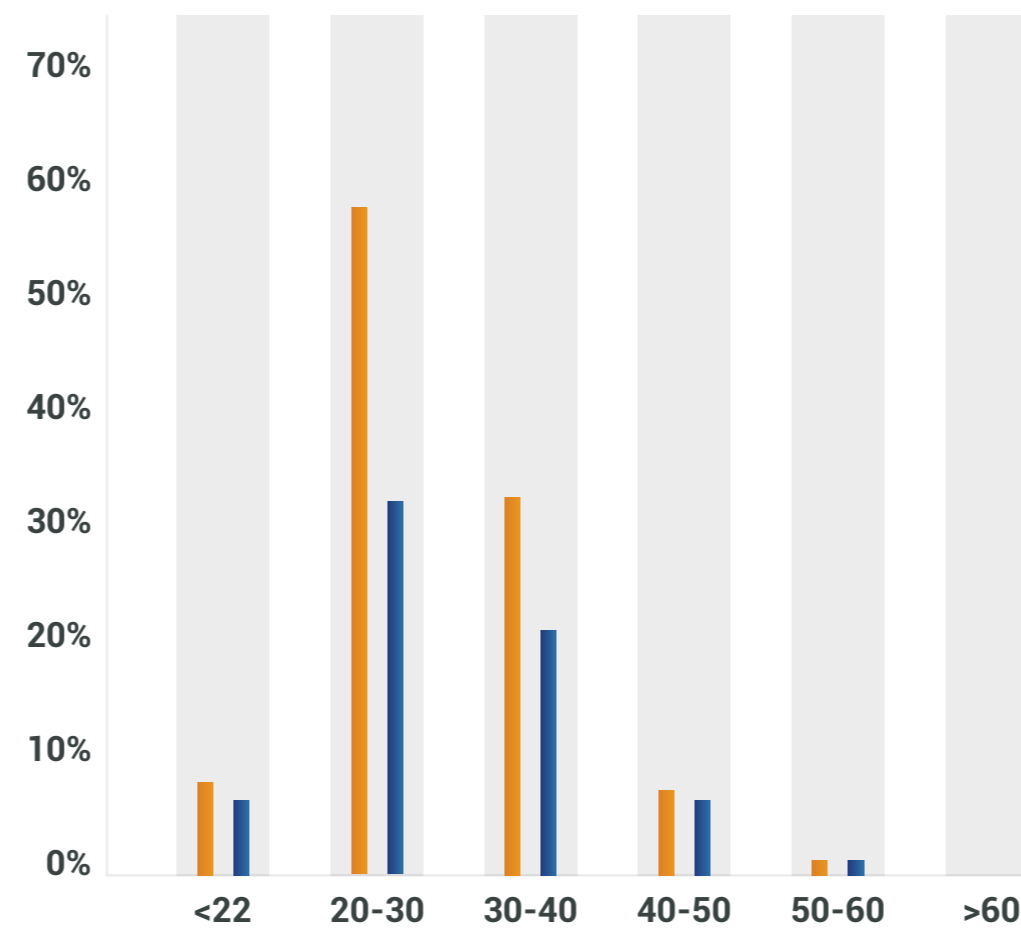
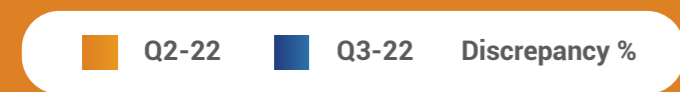
## 1.B. Discrepancy Percentage - By Age [Q2-22 to Q3-22]

JULY TO SEPTEMBER

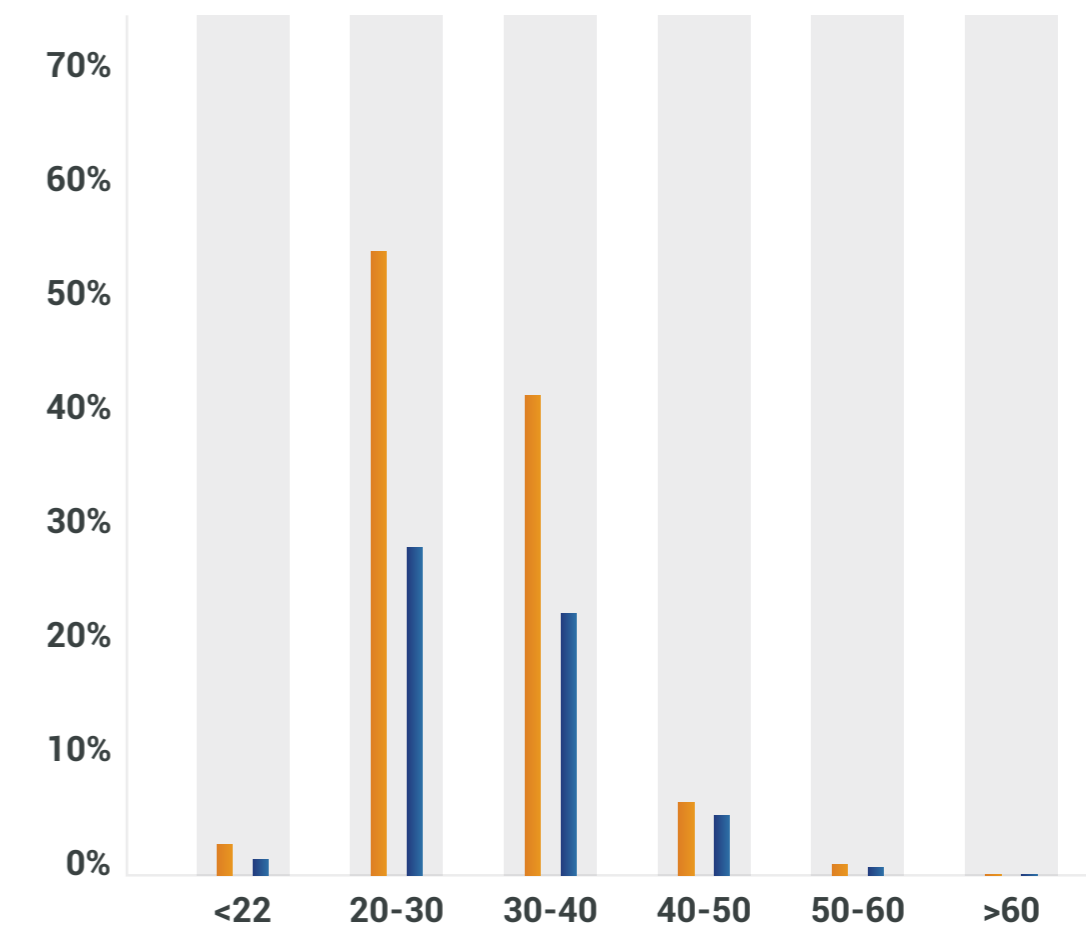


In Q3'22, most of the candidates screened were between the ages of 22 and 30.

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



Screenings by Age

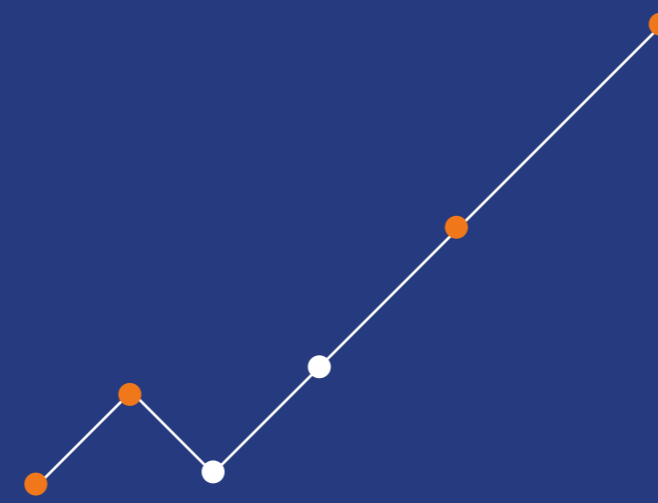


Discrepancy by Age

# CASE LEVEL TREND

## 1.C. Discrepancy Percentage - By Industry [Q2-22 to Q3-22]

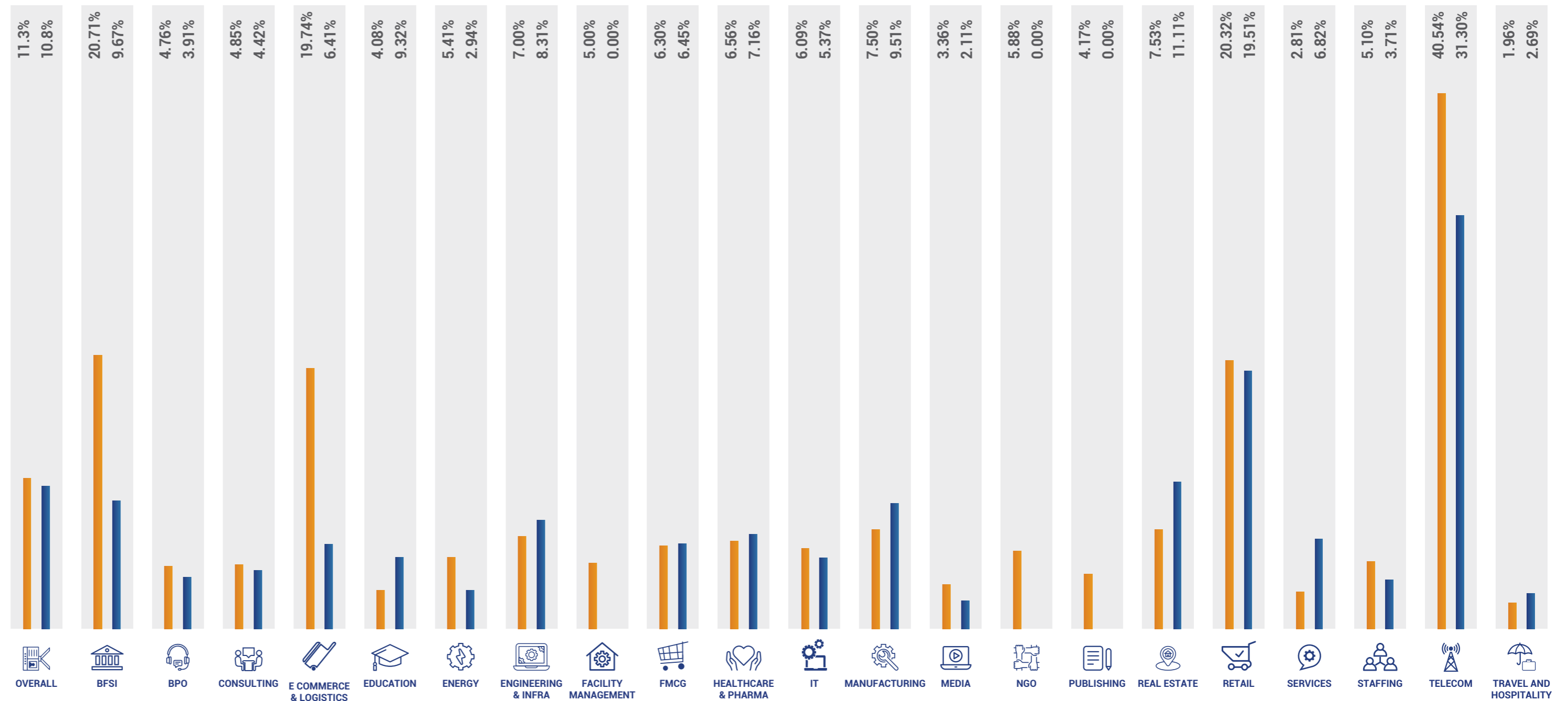
JULY TO SEPTEMBER



In Q3-22, Industries such as IT, Manufacturing, Healthcare & Pharma, Education and Retail had discrepancies percentages that are much higher than the overall average of 10.8 percent.

FMCG, Manufacturing and Real Estate Industries had higher discrepancies compared to Q2-22.

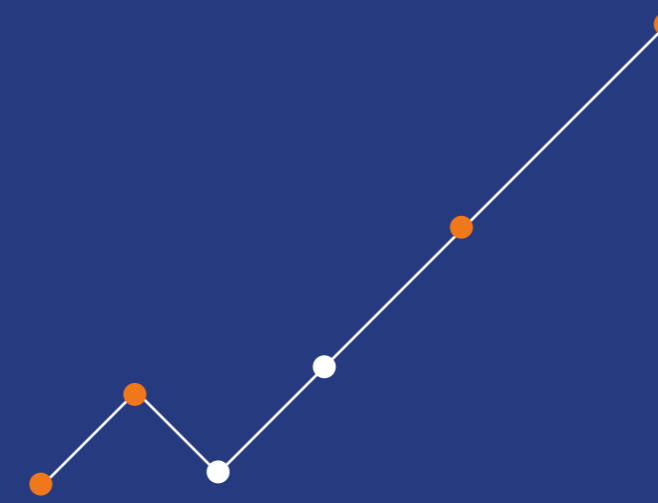
Q2-22 Q3-22 Discrepancy %



# CASE LEVEL TREND

JULY TO SEPTEMBER

## 1.D. Case and Component Discrepancy Percentage [Q2-22 to Q3-22]

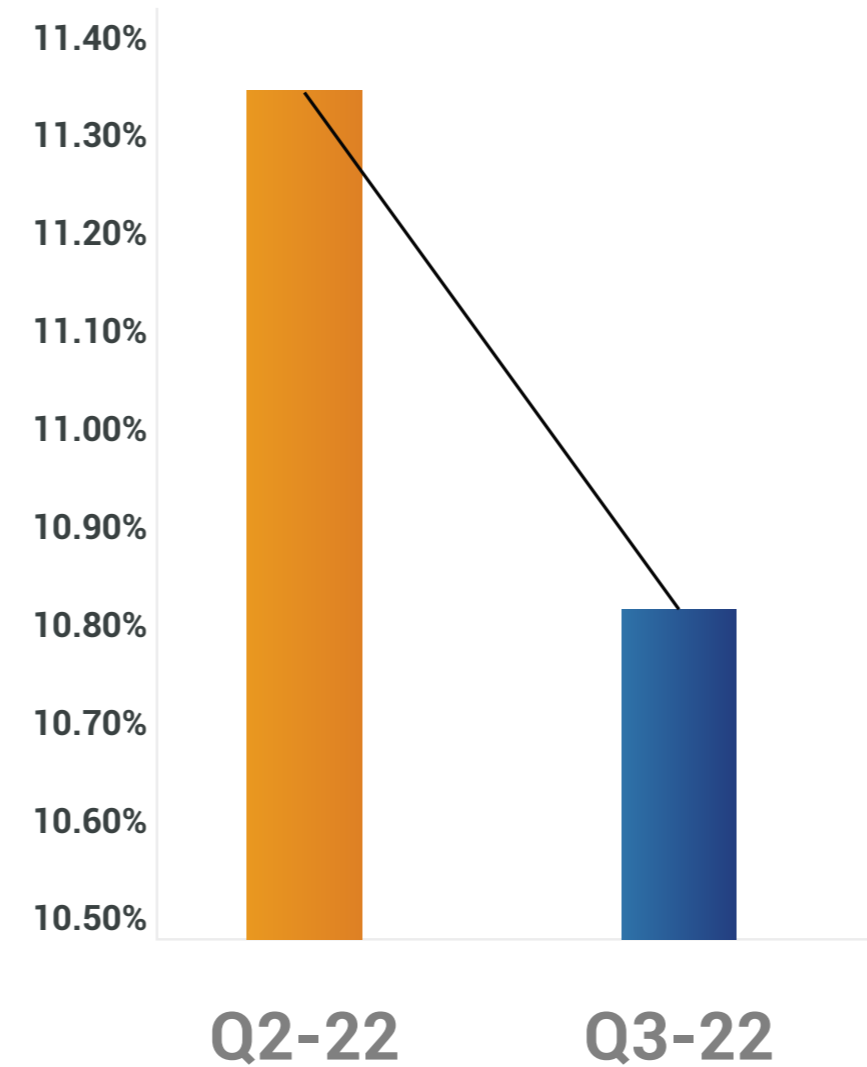
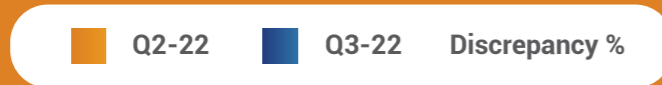
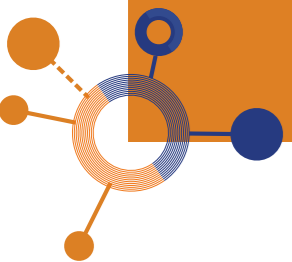


Case Discrepancy - Over 11 percent of candidates screened in Q3 2022 have noted discrepancies, i.e., 4 percent increase as compared to Q2-22.

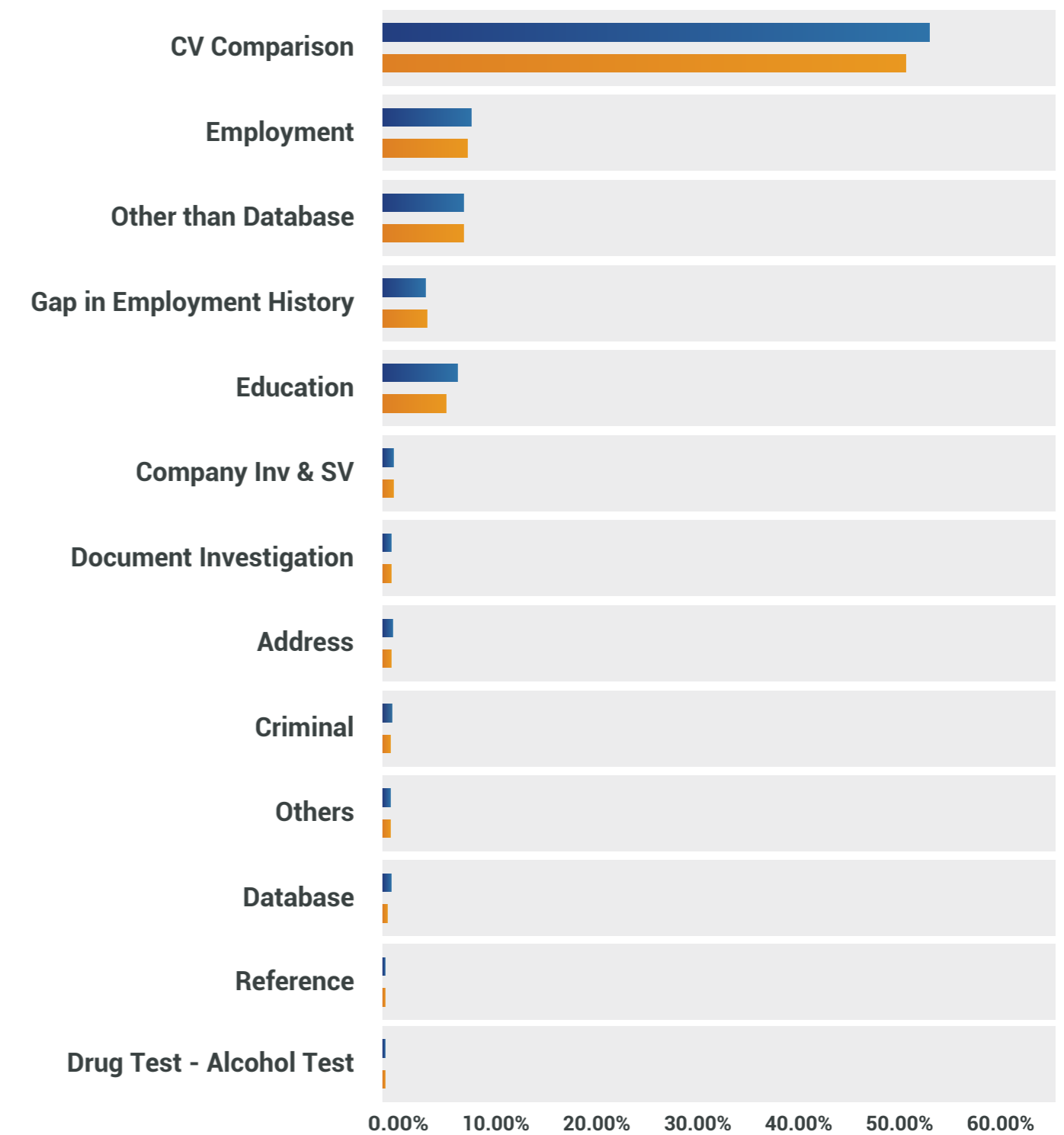
CV comparison revealed a significant increase in noted discrepancies showcasing an increase of 10 percent in Q3'22 compared to Q2'22.

Education discrepancy increased from 5.20 percent to 6.18 percent compared to Q2'22.

Increased difference in Address and Criminal screenings by 28 percent and 24 percent, respectively.



**Case Discrepancy**














# CASE LEVEL TREND

## 2.A. Discrepancy Percentage - By Industry by Component Education [Q2-22 vs Q3-22]

JULY TO SEPTEMBER



									
	EDUCATION	BFSI	BPO	CONSULTING	E COMMERCE & LOGISTICS	ENGINEERING & INFRA	FMCG	HEALTHCARE & PHARMA	IT
Q2-22	0.29%	10.91%	0.71%	0.46%	11.14%	1.06%	0.86%	0.94%	0.81%
Q3-22	0.52%	15.03%	0.61%	0.40%	2.17%	1.03%	1.87%	0.79%	0.61%









BFSI, FMCG and Telecom industries showed a rise in discrepancy in Q3-22 against Q2-22.

# CASE LEVEL TREND

## 2.A. Discrepancy Percentage - By Industry by Component Education [Q2-22 vs Q3-22]

JULY TO SEPTEMBER

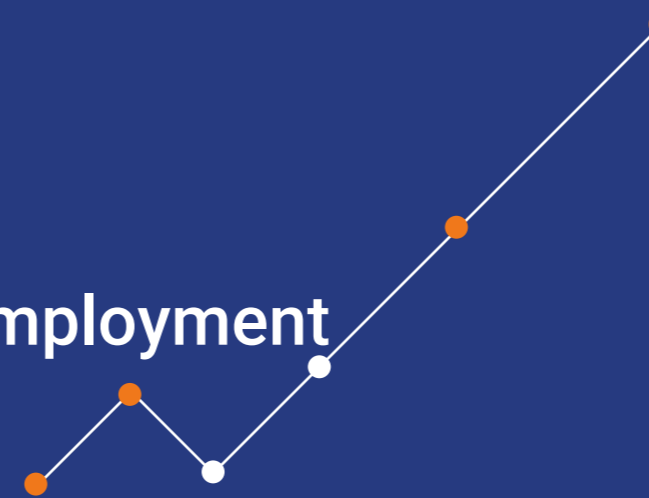


								
	MANUFACTURING	MEDIA	REAL ESTATE	RETAIL	SERVICES	STAFFING	TELECOM	TRAVEL AND HOSPITALITY
Q2-22	0.65%	0.72%	1.40%	19.53%	0.25%	1.13%	3.98%	0.75%
Q3-22	1.29%	0.70%	0.93%	12.23%	0.73%	0.65%	4.13%	2.44%

# CASE LEVEL TREND

2.B. Discrepancy Percentage - By Industry by Component Employment  
[Q2-22 vs Q3-22]

JULY TO SEPTEMBER



	EDUCATION	BFSI	BPO	CONSULTING	E COMMERCE & LOGISTICS	ENERGY	ENGINEERING & INFRA
Q2-22	3.85%	8.95%	5.10%	4.76%	21.95%	5.08%	4.88%
Q3-22	7.21%	10.55%	3.71%	4.75%	5.05%	4.08%	4.23%

BFSI, Manufacturing, Telecom and Education sectors leads to rise in discrepancy in Q3-22 compared to Q2-22.

# CASE LEVEL TREND

2.B. Discrepancy Percentage - By Industry by Component Employment  
[Q2-22 vs Q3-22]



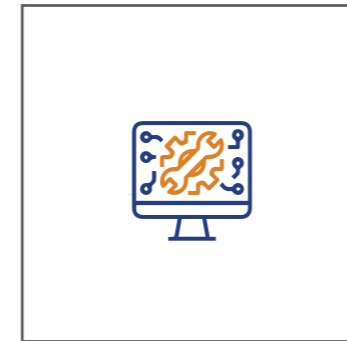
JULY TO SEPTEMBER



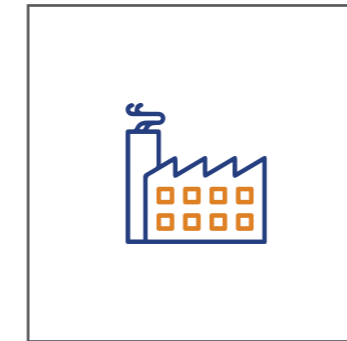
FMCG



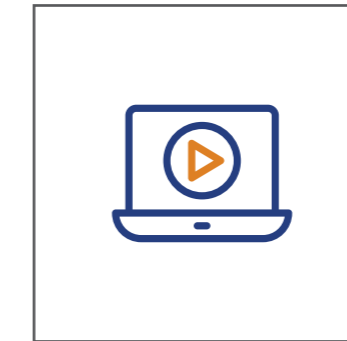
HEALTHCARE  
& PHARMA



IT



MANUFACTURING



MEDIA



REAL ESTATE



RETAIL

Q2-22

5.17%

7.10%

6.00%

5.05%

3.52%

4.32%

9.30%

Q3-22

3.87%

5.98%

5.79%

5.62%

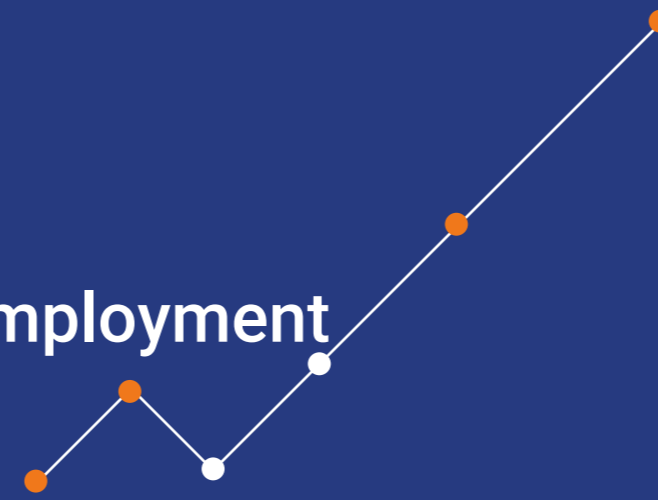
2.85%

5.00%

9.08%

# CASE LEVEL TREND

2.B. Discrepancy Percentage - By Industry by Component Employment  
[Q2-22 vs Q3-22]



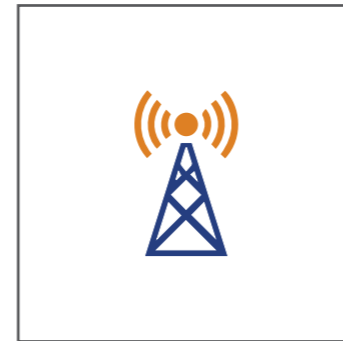
JULY TO SEPTEMBER



SERVICES



STAFFING



TELECOM



TRAVEL AND  
HOSPITALITY

Q2-22

3.76%

5.00%

16.10%

5.61%

Q3-22

5.26%

4.69%

16.35%

6.16%

# CASE LEVEL TREND

2.C. Discrepancy Percentage - By Industry by Component Address  
[Q2-22 vs Q3-22]

JULY TO SEPTEMBER



	EDUCATION	BFSI	CONSULTING	E COMMERCE & LOGISTICS	ENGINEERING & INFRA	FMCG	HEALTHCARE & PHARMA
Q2-22	0.60%	1.45%	0.03%	5.97%	0.18%	0.92%	0.34%
Q3-22	0.00%	1.43%	0.01%	0.00%	6.14%	0.00%	0.46%

Sectors like Manufacturing, Engineering & Infra and Telecom have demonstrated a significant increase in discrepancy in Q3-22 compared to Q2-22.

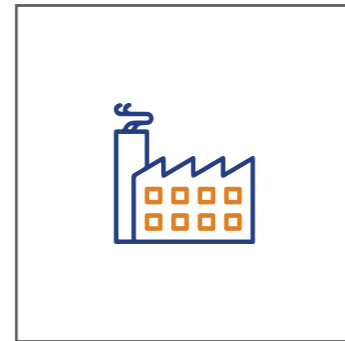
# CASE LEVEL TREND

2.C. Discrepancy Percentage - By Industry by Component Address  
[Q2-22 vs Q3-22]

JULY TO SEPTEMBER



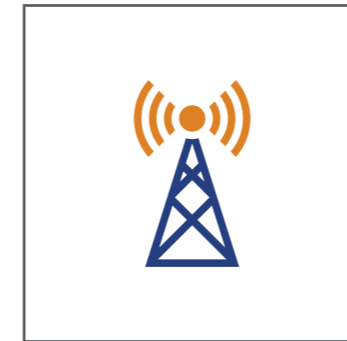
IT



MANUFACTURING



RETAIL



TELECOM



TRAVEL AND  
HOSPITALITY

Q2-22

0.31%

3.18%

9.50%

20.21%

0.19%

Q3-22

0.15%

3.25%

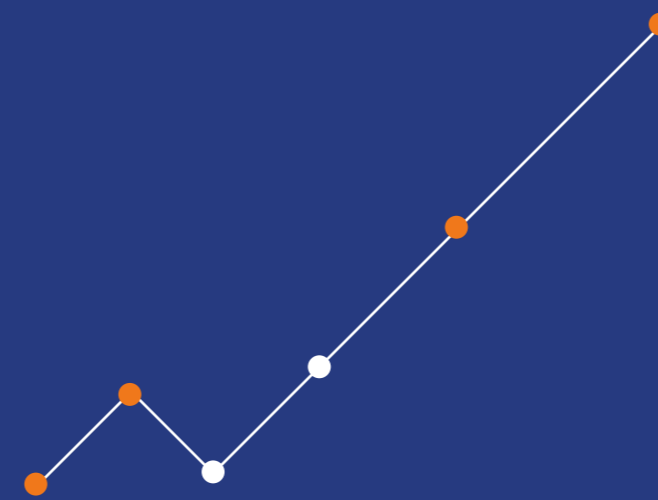
8.70%

18.75%

0.02%

# ALTERNATIVE METHODS OF VERIFICATION

JULY TO SEPTEMBER



## DIGITAL ADDRESS

Alternative mode of address verification using digital methodology, thus enabling a fast, reliable validation of the address provided by candidates:

An automated solution which uses advanced GPS technology to match the geographic coordinates of the address provided by the candidate with the co-ordinates captured via the mobile device from where the candidate is physically present.



## EMPLOYMENT THROUGH PAN & TAN VALIDATION

Validation of a candidate's association as an employee with the concerned employer through linkage between PAN of the candidate and TAN of the employer in the TDS records available on TRACES portal

## EMPLOYMENT THROUGH UAN VALIDATION

Using the UAN, validation of candidate's association with the employer and the dates of enrollment using the EPFO portal for records



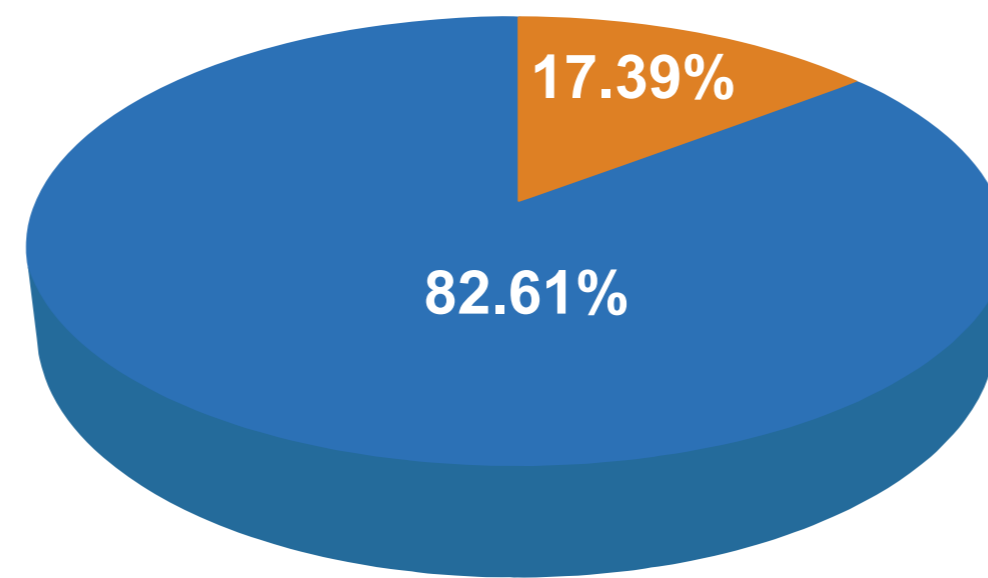
# CASE LEVEL TREND

## 3.A.1. Alternative Modes Of Verification: Component Employment [Q2-22 to Q3-22]

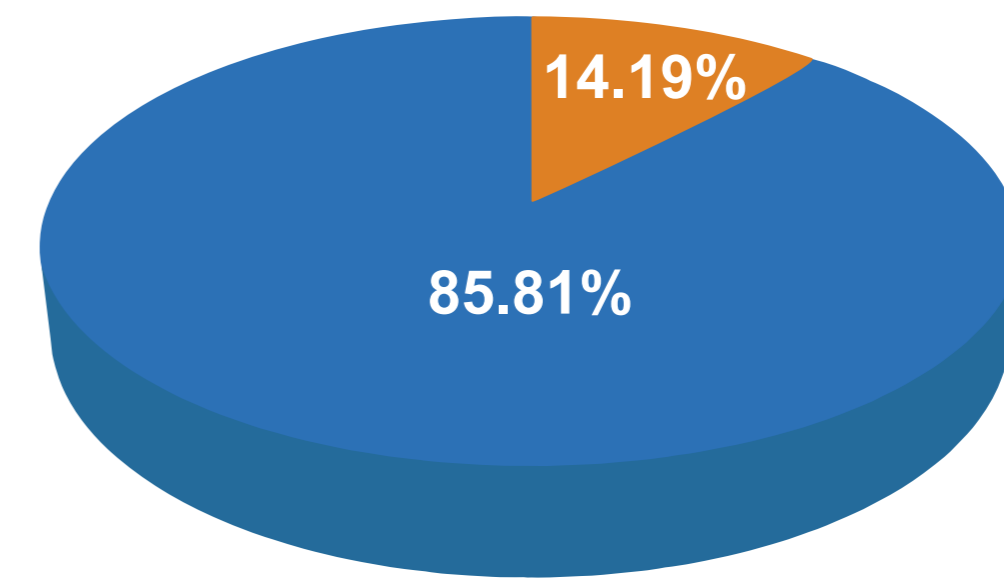


14 out of every 100 Employment Verifications were conducted through the alternative modes of verification.

■ STANDARD ■ ALTERNATIVE



Q2-22



Q3-22

# CASE LEVEL TREND

## 3.A.2. Alternative Modes Of Verification: Component Employment [Q2-22 to Q3-22]

JULY TO SEPTEMBER



EDUCATION



BFSI



BPO

STANDARD

ALTERNATIVE

Q2-22

86.47%

13.53%

STANDARD

ALTERNATIVE

86.81%

13.19%

STANDARD

ALTERNATIVE

87.81%

12.19%

Q3-22

85.50%

14.50%

89.35%

10.65%

91.07%

8.93%

In Q3-22 sectors like IT, FMCG, Engineering & Infra, Ecommerce & Logistics, Retail and Education to name a few, are accepting a higher percentage of alternative modes of verification compared to others.

# CASE LEVEL TREND

## 3.A.2. Alternative Modes Of Verification: Component Employment [Q2-22 to Q3-22]

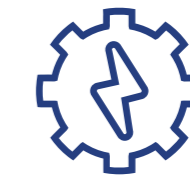
JULY TO SEPTEMBER



### CONSULTING



### E COMMERCE & LOGISTICS



### ENERGY

STANDARD

ALTERNATIVE

**Q2-22**

91.88%

8.12%

STANDARD

ALTERNATIVE

89.31%

10.69%

STANDARD

ALTERNATIVE

88.46%

11.54%

**Q3-22**

92.54%

7.46%

88.06%

11.94%

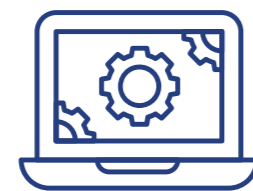
66.67%

33.33%

# CASE LEVEL TREND

## 3.A.2. Alternative Modes Of Verification: Component Employment [Q2-22 to Q3-22]

JULY TO SEPTEMBER



### ENGINEERING & INFRA



### FMCG



### HEALTHCARE & PHARMA

STANDARD

ALTERNATIVE

Q2-22

70.47%

29.53%

STANDARD

ALTERNATIVE

81.94%

18.06%

STANDARD

ALTERNATIVE

86.21%

13.79%

Q3-22

76.55%

23.45%

73.41%

26.59%

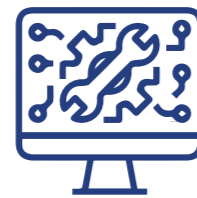
88.48%

11.52%

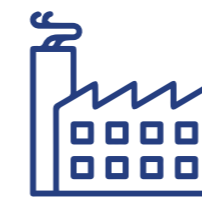
# CASE LEVEL TREND

## 3.A.2. Alternative Modes Of Verification: Component Employment [Q2-22 to Q3-22]

JULY TO SEPTEMBER



IT



MANUFACTURING



MEDIA

STANDARD

ALTERNATIVE

Q2-22

76.56%

23.44%

STANDARD

ALTERNATIVE

84.05%

15.95%

STANDARD

ALTERNATIVE

65.57%

34.43%

Q3-22

82.33%

17.67%

86.58%

13.42%

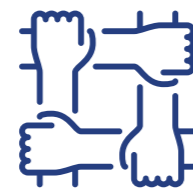
73.06%

26.94%

# CASE LEVEL TREND

## 3.A.2. Alternative Modes Of Verification: Component Employment [Q2-22 to Q3-22]

JULY TO SEPTEMBER



NGO



REAL ESTATE



RETAIL

STANDARD

ALTERNATIVE

Q2-22

85.71%

14.29%

STANDARD

ALTERNATIVE

82.53%

17.47%

STANDARD

ALTERNATIVE

80.03%

19.97%

Q3-22

100.00%

0.00%

81.08%

18.92%

73.05%

26.95%

# CASE LEVEL TREND

## 3.A.2. Alternative Modes Of Verification: Component Employment [Q2-22 to Q3-22]

JULY TO SEPTEMBER



SERVICES



STAFFING



TELECOM

STANDARD

ALTERNATIVE

Q2-22

87.65%

12.35%

STANDARD

ALTERNATIVE

92.42%

7.58%

STANDARD

ALTERNATIVE

88.82%

11.18%

Q3-22

80.52%

19.48%

93.52%

6.48%

89.51%

10.49%

# CASE LEVEL TREND

## 3.A.2. Alternative Modes Of Verification: Component Employment [Q2-22 to Q3-22]

JULY TO SEPTEMBER



### TRAVEL AND HOSPITALITY



### FACILITY MANAGEMENT



### PUBLISHING

STANDARD

ALTERNATIVE

Q2-22

76.95%

23.05%

STANDARD

ALTERNATIVE

0.00%

100.00%

STANDARD

ALTERNATIVE

100.00%

0.00%

Q3-22

79.38%

20.62%

75.00%

25.00%

63.83%

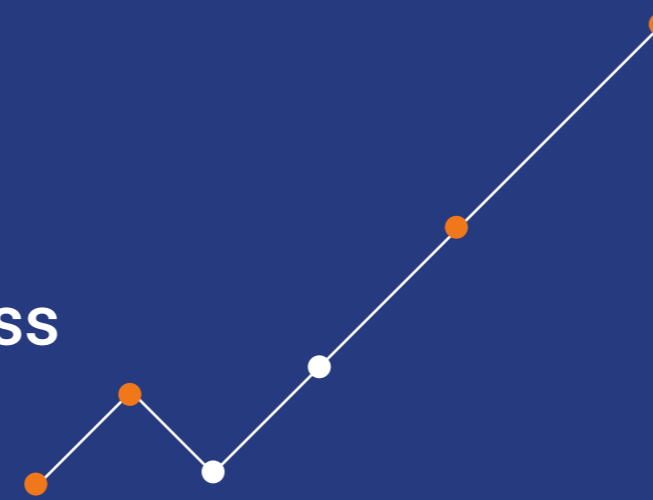
36.17%



# CASE LEVEL TREND

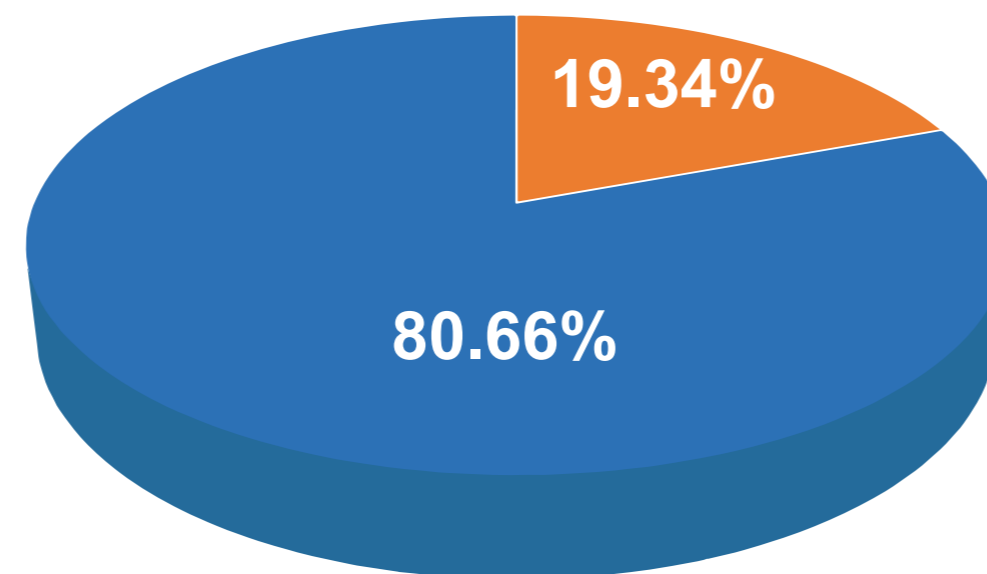
## 4.A.1. Alternative Modes Of Verification: Component Address [Q2-22 to Q3-22]

JULY TO SEPTEMBER

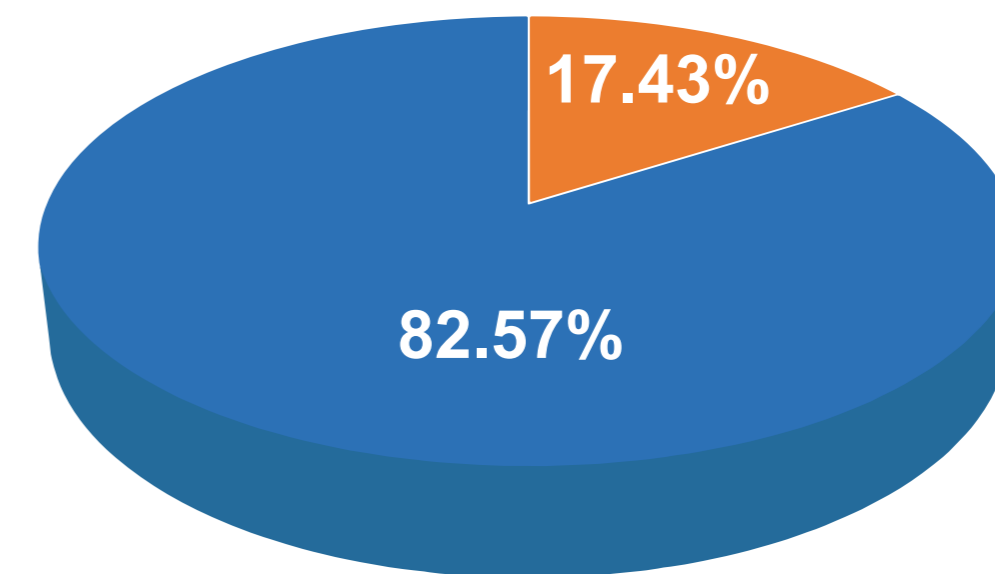


17 out of every 100 Address Verifications were conducted through the alternative modes of verification.

■ STANDARD ■ Alternative



Q2-22

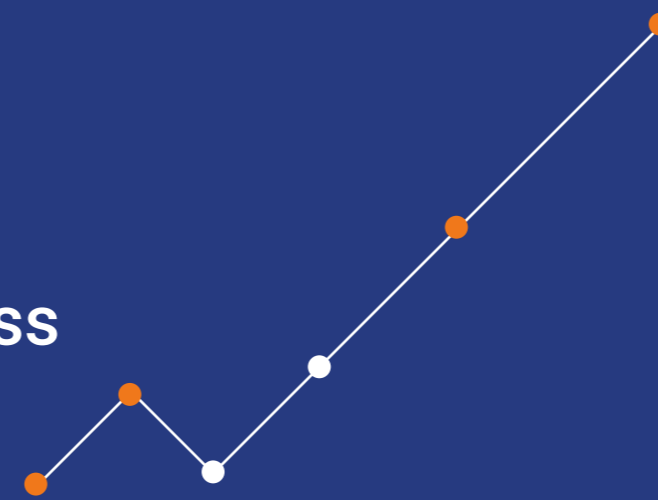


Q3-22

# CASE LEVEL TREND

## 4.A.2. Alternative Modes Of Verification: Component Address [Q2-22 to Q3-22]

JULY TO SEPTEMBER



EDUCATION



BFSI



BPO

STANDARD

ALTERNATIVE

Q2-22

13.58%

86.42%

STANDARD

ALTERNATIVE

86.31%

13.69%

STANDARD

ALTERNATIVE

99.37%

0.63%

Q3-22

14.81%

85.19%

93.31%

6.69%

98.45%

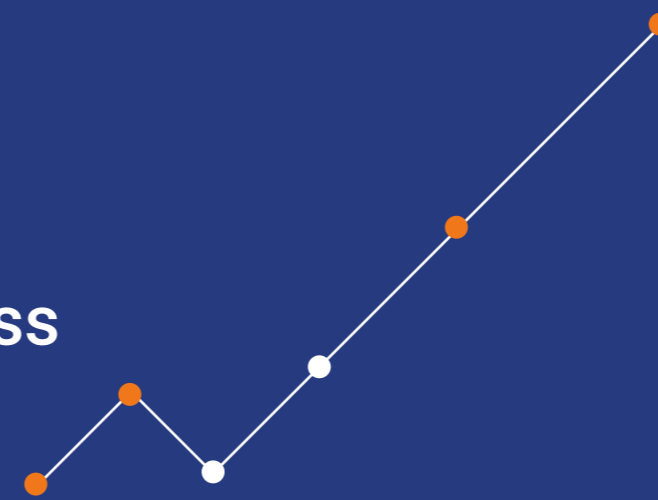
1.55%

In Q3-22 sectors like IT, Consulting, Manufacturing and Staffing are accepting a higher percentage of alternative modes of verification compared to others.

# CASE LEVEL TREND

## 4.A.2. Alternative Modes Of Verification: Component Address [Q2-22 to Q3-22]

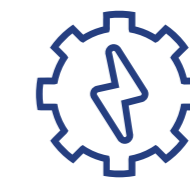
JULY TO SEPTEMBER



### CONSULTING



### E COMMERCE & LOGISTICS



### ENERGY

STANDARD

ALTERNATIVE

STANDARD

ALTERNATIVE

STANDARD

Q2-22

81.12%

18.88%

100.00%

0.00%

100.00%

Q3-22

82.13%

17.87%

98.88%

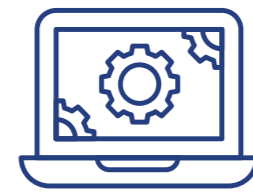
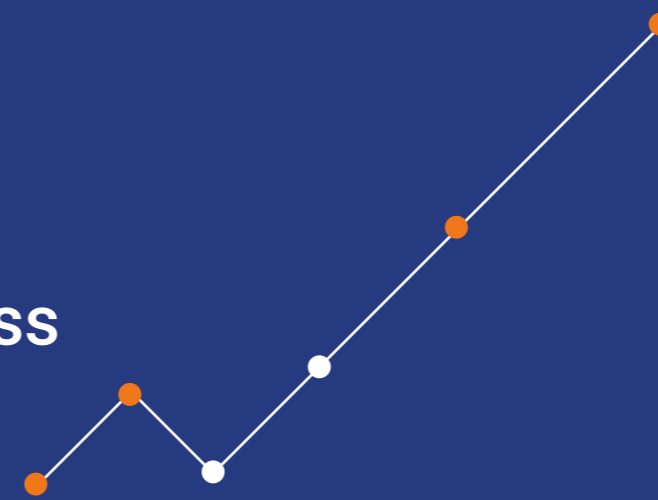
1.12%

100.00%

# CASE LEVEL TREND

4.A.2. Alternative Modes Of Verification: Component Address  
[Q2-22 to Q3-22]

JULY TO SEPTEMBER



## ENGINEERING & INFRA



## FMCG



## HEALTHCARE & PHARMA

STANDARD

ALTERNATIVE

Q2-22

94.11%

5.89%

STANDARD

ALTERNATIVE

99.06%

0.94%

STANDARD

ALTERNATIVE

99.85%

0.15%

Q3-22

98.23%

1.77%

99.64%

0.36%

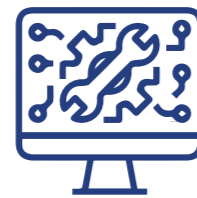
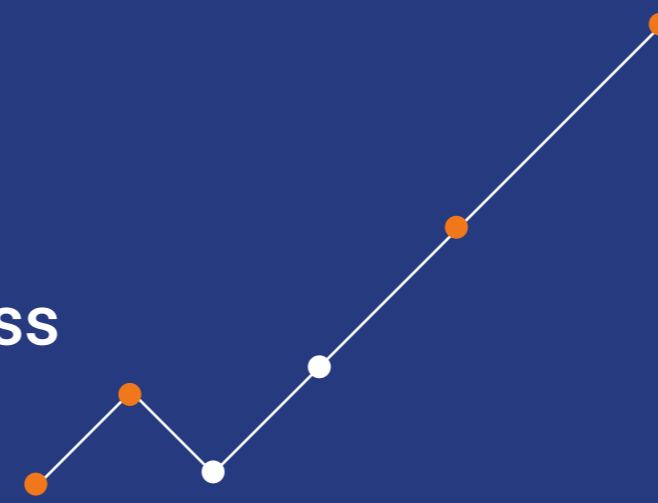
99.53%

0.47%

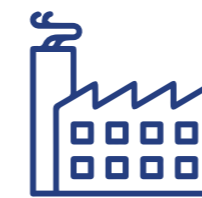
# CASE LEVEL TREND

## 4.A.2. Alternative Modes Of Verification: Component Address [Q2-22 to Q3-22]

JULY TO SEPTEMBER



IT



MANUFACTURING



MEDIA

STANDARD

ALTERNATIVE

Q2-22

69.08%

30.92%

STANDARD

ALTERNATIVE

94.79%

5.21%

STANDARD

100.00%

Q3-22

68.75%

31.25%

95.25%

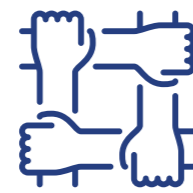
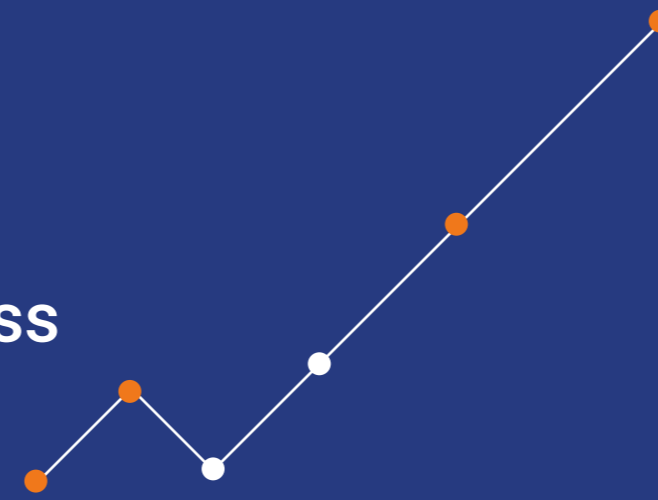
4.75%

100.00%

# CASE LEVEL TREND

## 4.A.2. Alternative Modes Of Verification: Component Address [Q2-22 to Q3-22]

JULY TO SEPTEMBER



NGO



REAL ESTATE



RETAIL

STANDARD

STANDARD

STANDARD

ALTERNATIVE

Q2-22

100.00%

100.00%

99.61%

0.39%

Q3-22

100.00%

100.00%

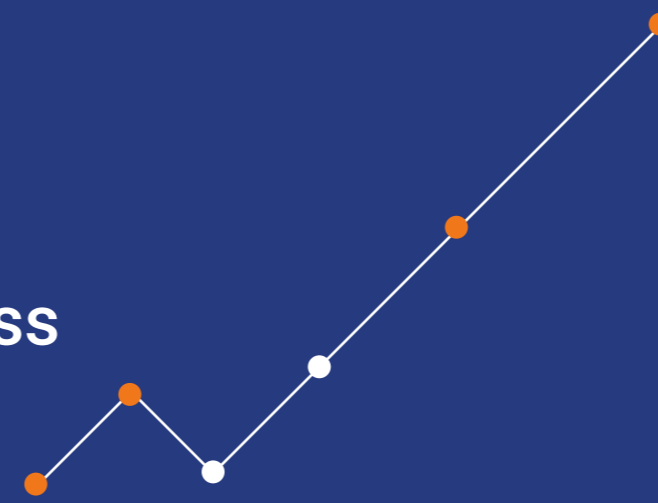
99.22%

0.78%

# CASE LEVEL TREND

## 4.A.2. Alternative Modes Of Verification: Component Address [Q2-22 to Q3-22]

JULY TO SEPTEMBER



SERVICES



STAFFING



TELECOM

STANDARD

ALTERNATIVE

Q2-22

97.46%

2.54%

STANDARD

ALTERNATIVE

94.43%

5.57%

STANDARD

ALTERNATIVE

99.55%

0.45%

Q3-22

100.00%

0.00%

91.86%

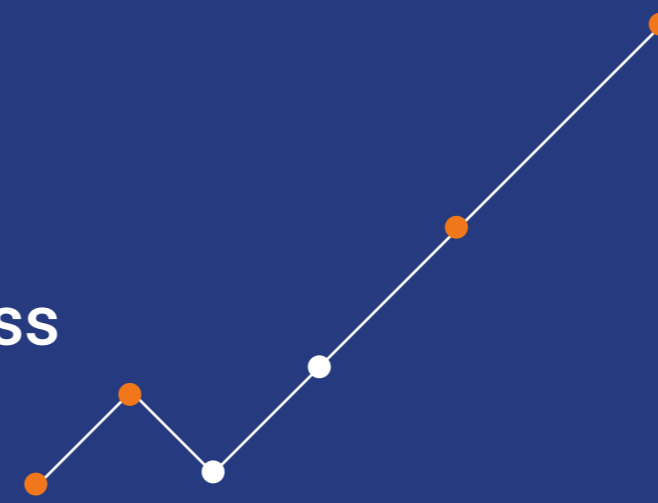
8.14%

99.60%

0.40%

# CASE LEVEL TREND

## 4.A.2. Alternative Modes Of Verification: Component Address [Q2-22 to Q3-22]



JULY TO SEPTEMBER



### TRAVEL AND HOSPITALITY

STANDARD

ALTERNATIVE

Q2-22

98.59%

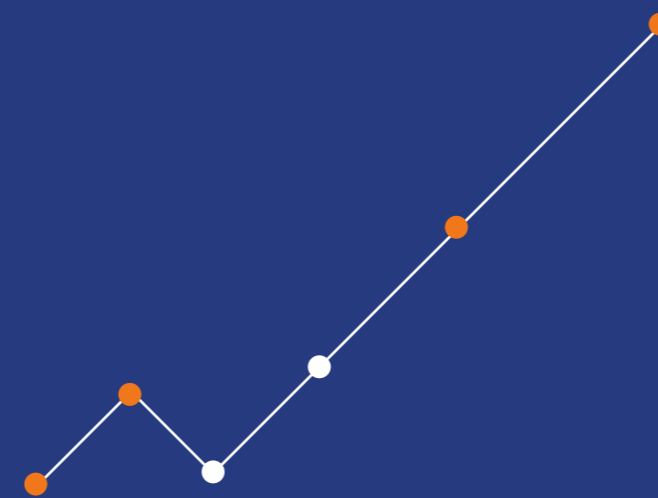
1.41%

Q3-22

99.29%

0.71%



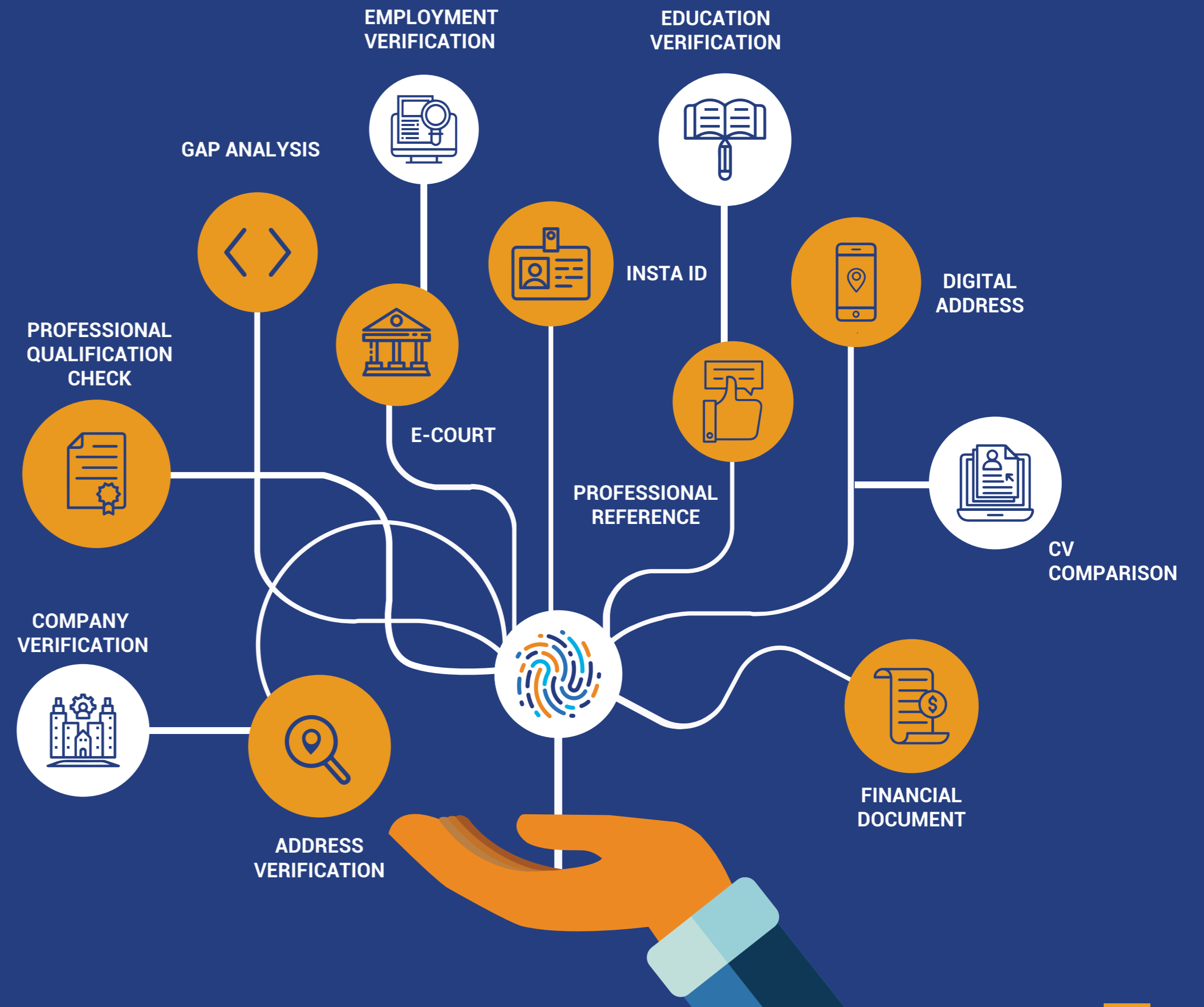


- △ In Q3'22, the most frequent first names screened were Rahul, Abhishek, Shubham, Amit, Priyanka, while the most common last names screened were Kumar, Sharma, Singh, Jain and Gupta.
- △ First Advantage completes 95 percent of criminal checks in three days and 80 percent in one day.
- △ First Advantage has screening capabilities in over 200+ countries, with candidates who would have lived in other countries and are hired in India.
- △ USA, Malaysia, Australia, UK and Canada are top countries screened for candidates working in India.
- △ Discrepancy in background screening was majorly at Associate Level.



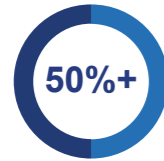
# FA CAPABILITIES AND SERVICES

JULY TO SEPTEMBER



# ABOUT US

FULL YEAR 2022



**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

**WE ARE FA**



**First Advantage**

For any queries email: [Info.india@fadv.com](mailto:Info.india@fadv.com)