

HACE, the specialist data company sustainably eradicating child labour

As part of our quick founder questions series – or QFQs – we spoke to Eleanor Harry, CEO of HACE, about the Child Labour Index, AI & data, and purpose.

What was the catalyst for launching HACE?

160 million children are in child labour, the equivalent of 1 in 10 children globally. Since 2016, the number of children in child labour has increased by 8 million, meaning it's a growing issue. However, there isn't an awareness or scalable understanding of the prevalence of child labour in supply chains. This means that there is a lack of solutions aimed at tackling the issue, which is why HACE was born.

There is currently no other quantitative metric available on the market to report on child labour in real-time even though it is increasingly seen as one of the most critical forms of ESG violations.

Tell me about the business – what it is,

what it aims to achieve, who you work with, how you reach customers and so on?

HACE is a specialist data company focusing on sustainably eradicating child labour in corporate supply chains. Our flagship product, the AI-powered Child Labour Index, scores, and benchmarks companies based on three performance indicators in the specific area of child labour – company disclosure, public perception, and supply chain, providing comprehensive data on company-specific risks.

The Index is designed for Asset Managers, Institutional Investors (Pension Funds, Sovereign Wealth Funds, Foundations, Endowments, Insurance Companies & Wealth Managers), Investment Consultants, Banks, and other Professional Service Companies.

These investors and organisations can utilise the data to monitor for child labour risks, avoid share price vulnerabilities, stay ahead of regulatory changes, carry out due diligence and engage in informed conversations with portfolio companies on how they are addressing the risk of child labour in their supply chains. Our commitment is to help our clients minimise their business and investment risks whilst facilitating change to tackle this major social challenge.

How has the business evolved since its launch?

Founded in 2020, HACE began as a data-driven service provider, offering insights to help companies address the root causes of child labour in their supply chains. Our first offering was Athlum, which used AI data analysis to provide social visibility into global supply chain communities. However, we pivoted in 2022 to focus on developing our new product, the Child Labour Index. We recognised the need to include company shareholders as key stakeholders in addressing child labour issues, due to the powerful influence they can have on a company's actions. This pivot brought us closer to our goal of tackling child labour by involving as many stakeholder groups as possible through scalable technology solutions.

Tell us about the working culture at HACE

I'd describe the culture at HACE as flexible, passionate, cross-functional and at times, a little bit chaotic! We're a female-founded and female-led team, with a horizontal leadership structure that's supportive of young people.

How are you funded?

We've just closed our pre-seed round which is made up of investments from private angel investors and two funds. Watch this space as we'll be announcing further details on this very soon!

What has been your biggest challenge so far and how have you overcome this?

There is a lack of awareness of child labour, and social issues more broadly, as a business and an investment risk. Often ESG solutions and regulations tend to focus more on environmental factors, but the three elements (environmental, social and governance) are all interlinked. This means that a big part of our job is educating people on the prevalence of child labour in supply chains and also on the financial and reputational repercussions for businesses that do not mitigate the risk of it. We've built the Index as a means to provide the data to illustrate the risk and address the data challenges in the 'S' of ESG.

How does HACE answer an unmet need?

There are currently no other holistic data points for the risk of child labour and definitely not on the same scale or to the same depth. If this data is not available, investors cannot effectively monitor their portfolio for child labour risk or engage with their portfolio companies on the issue of child labour as a means to influence positive change.

Our team also has unique experience in the cross-section of child labour, data and AI, financial markets and ESG ratings meaning that we have specific subject matter expertise to create a solution that makes a difference.

What's in store for the future?

We're currently undertaking proof-of-concept feedback sessions with a select group of asset managers, wealth managers and institutional investors, moving to a pilot phase of the index in Q2 of this year. In the long term, we aim to use technology and AI to expand into other areas of ESG, as well as private markets. And of course, we will continue in progressing towards our goal of sustainably eradicating child labour from corporate supply chains by leveraging the power of data.

What one piece of advice would you give other founders or future founders?

Build a business with a purpose, based on something you're passionate about and consider how you could solve a big global problem. Also, utilise your network and use tech for good.

And finally, a more personal question! What's your daily routine and the rules you're living by at the moment?

I'm not really a routine person - I love that every day is different!

Eleanor Harry is the CEO of HACE.