



In the late 80's, when a documentary on European TV told the world that luxury rugs were being produced in South Asia via child labor, carpet exports from Nepal plummeted. Sulochana Shrestha-Shah, who had just returned to Nepal from Europe with a Master's in Mathematics, and was struggling to put her skills to use as an employee at the Royal Nepal Academy of Science and Technology, knew she had to do something. With her husband's ancestral property as collateral, she took out a loan for NPR 300,000 and began her journey as an ethical businesswoman.

Formation Carpets was established in 1990 as a social enterprise -- at a time when carpet factories were known as dark and dirty places, a bright model factory with shower facilities was established. Boasting women-empowerment with a 100% female workforce, men were only hired to perform heavy-lifting activities. As a social enterprise, the profits of the company were used to award full scholarships to the children of the employees, up to high school matriculation, while providing daycare facilities for the pre-school kids. This was facilitated by the non-profit, **Hoste Hainse**, which Sulochana Shrestha-Shah registered a week before Formation Carpets. Three decades later, some of these children now work as production managers of Formation Carpets, something their weaver mothers could only dream of.

Complimentary health insurance, maternity leave, and holiday pay, to name a few, were some of the benefits that made people want to work at Formation Carpets, but Sulochana Shrestha-Shah did not stop there – she started a campaign to end child labor at all other factories. She joined forces with Kailash Satyarthi in India to establish Rugmark (now Goodweave), an organization that rescues and rehabilitates children from child labor. In 1997, Sulochana Shrestha-Shah received the U.S.-based Advocates for Human Rights award for all the ethical work she spearheaded; her colleague, Kailash Satyarthi, would receive the Nobel Peace Prize seventeen years later in 2014.

At its peak, at the turn of the millennium, Formation Carpets employed over 500 women in-house, but the politically backed trade-unions during the Maoist Insurgency, which wiped out 75% of business houses in Nepal, almost shut down Formation Carpets in 2006. 2006 – 2016 were rebuilding years for Formation Carpets, and we are now happy to indirectly employ over 1,000 individuals, both men as well as women, throughout Kathmandu.

While hand-knotted rug manufacturing in Nepal may be a dying industry due to the rising cost in raw materials as well as skilled artisan labor, we will keep our doors open as long as we can to continue a legacy that was started to make a difference. Please visit www.hostehainse.org to learn more about our social endeavors.

Located in Jawalakhel, we do not have a showroom, but please stop by our factory to order your custom rug, or pick up a stock piece, after getting a tour of the zero carbon footprint production process. office@formationcarpets.com. +977-1-5450700.

Google Maps: <https://goo.gl/maps/WNnH9gPkJBpovReH9>