



HOT BUTTON IMPACT REPORT:

From Risk to Resilience
TEN YEARS
of Hot Button

In 2016, the sourcing practices behind Man-Made Cellulosic Fibres (MMCFs) such as viscose, rayon, and lyocell were largely out of view, tucked deep in complex global supply chains and rarely the subject of industry scrutiny. These materials were often marketed as “eco-friendly” and made from “renewable resources” — forests. However, in practice, many were sourced from some of the planet’s most carbon-dense and ecologically critical forests — the very places most in need of protection. The supply chain was opaque; there was little independent data, no shared performance standard, and limited understanding of what responsible MMCF sourcing should look like.

That has changed dramatically.

71%

OF RATED MAN-MADE CELLULOSIC FIBRE (MMCF) PRODUCERS HAVE ACHIEVED GREEN SHIRT STATUS OR HIGHER)

Over the past decade, significant progress has been made in assessing the supply chain of the MMCF sector. The rate of change of this global supply chain is unprecedented in the fashion sector — it has become a supply chain that is transforming in real time.

Within the past decade, **more than 71% of global MMCF producers have earned Green Shirt ratings** in Canopy’s Hot Button Report by taking steps to eliminate Ancient and Endangered Forests and other controversial sources, and by introducing Next Gen inputs to their production. Those producers are collectively responsible for 53% of global MMCF production volume.

Key to this transition is the concerted and consistent leadership of CanopyStyle brand partners, who have set clear timed targets for sourcing exclusively from low-risk producers. Having grown in number from **65 in 2016 to over 550 at present**, CanopyStyle brand partners have, through their consistent engagement, provided the economic incentives needed for MMCF producers to change business as usual. Although there are a few MMCF producers lagging behind, a growing number of MMCF producers are taking meaningful steps to move away from high-risk, high-carbon sourcing and toward lower-impact and future-proof Next Gen alternatives.

Foundational to the efforts of both brands and producers has been the Hot Button Report. It joins a raft of new tools and systems that have been introduced over the past decade to help brands and producers assess and reduce risk, improve traceability, and invest in lower-impact innovation. Canopy’s Hot Button Report is the industry’s premier resource for MMCF fibre sourcing. It is the longest-standing sourcing guide now used by hundreds of global brands to evaluate MMCF suppliers on a consistent, annual basis. As of 2019, it also includes Zero Discharge of Hazardous Chemicals’ (ZDHC) ratings on chemical management, making it a widely accessible tool for brands seeking to implement their sustainability commitments.

The results of nearly 10 years of MMCF producer engagement and data analysis tell a story of significant and meaningful change in supplier transparency, sourcing policy uptake, and investment in Next Gen materials. While not comprehensively capturing all progress in the field, the Hot Button Report offers a distinct vantage point — one shaped by producer disclosure and brand engagement, and informed by ongoing third-party audits.



AS CANOPY PREPARES TO RELEASE ITS 10TH EDITION OF THE HOT BUTTON REPORT BEFORE COP30, THIS BRIEFING TAKES STOCK OF:

- the seismic changes that have already taken place within the MMCF global supply chain;
- the market signals that are emerging; and
- the work still required to build resilience and meet climate and biodiversity goals in this growing fibre category.

FROM SCORE TO MARKET SIGNAL

Tracking Change in the MMCF Supply Chain

The Hot Button Report evaluates the world’s largest MMCF producers across **25 performance criteria**, ranging from forest-sourcing risk and policy strength to traceability systems, innovation in Next Generation Solutions, forest conservation, and verified third-party audits.

Scores are reported out of 40 potential “buttons” and are accompanied by a colour-coded shirt rating (determined by the button score) that ranges from red (risk of sourcing from Ancient and Endangered Forests or controversial sources) to dark green (leading performance and lower risk of sourcing from Ancient and Endangered Forests). Over time, this Green Shirt visual shorthand has become a way for sustainability teams, procurement managers, and supplier-engagement leads to recognize preferred suppliers.

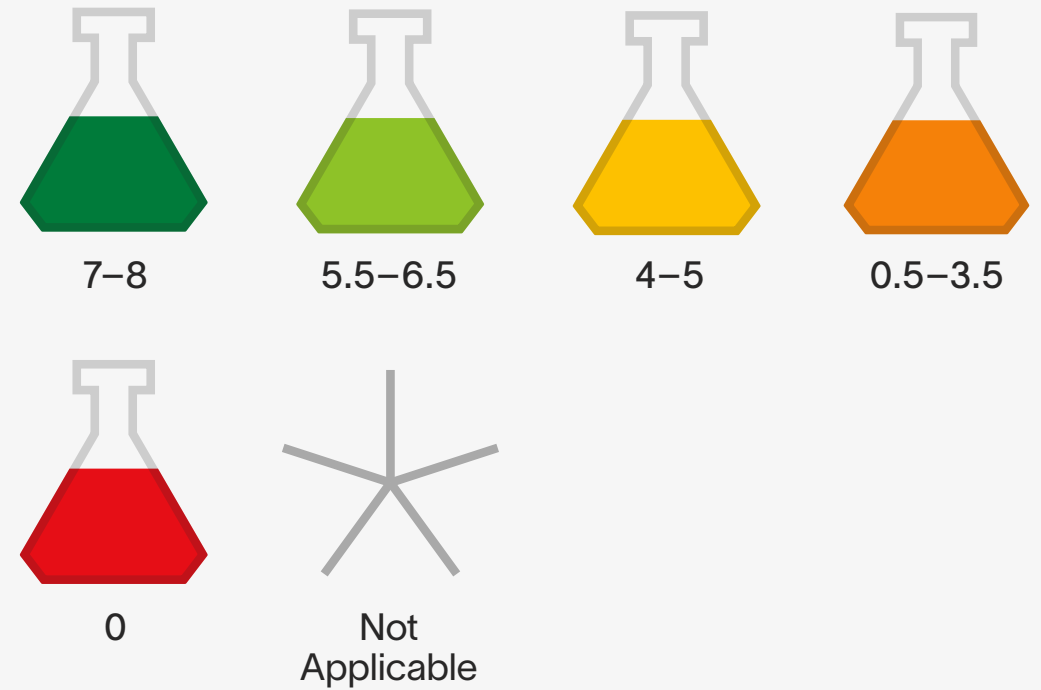
SHIRT COLOURS

Scores indicate the number of Buttons producers have earned for each step taken toward improved forest sourcing; total Buttons result in an overall shirt score. Red in a producer’s shirt colour signifies high risk of sourcing from Ancient and Endangered Forests even if the point score is sufficient to unlock partial yellow or green.



CHEMICAL MANAGEMENT

The producer engaged with ZDHC and participates in their chemical management programs (out of a possible 2 points). View details on individual Producer profile pages.



65 → 550

2016 CANOPYSTYLE PARTNER COUNT PRESENT CANOPYSTYLE PARTNER COUNT

HOT BUTTON

By the Numbers

YEAR	2016	2024
Green Shirt Producers	0	71%*
Global MMCF Capacity assessed	~75%	97.5%
CanopyStyle Audits completed to date	2	35+
Producers with Next Gen lines	0	12
Number of CanopyStyle brands	65	550+

These shifts reflect both greater adoption of a tool that is helping to shift the MMCF industry and increased engagement across the sector.

*21 individual producers

11

THE NUMBER
OF COUNTRIES
WITH CANOPY
STYLE AUDITED
PRODUCERS

THE COLOUR OF CHANGE

Majority of MMCF Producers Now Rated Green

In the first years of the Hot Button Report, most MMCF producers fell into the Red or Yellow Shirt categories — ratings that point to elevated risk, limited transparency, and/or a lack of clear sourcing commitments. By 2024, the picture has shifted dramatically, with **more than 70% of producers assessed now holding green or dark green ratings** — a reflection of both improved performance and greater participation in the evaluation process.

Progress has not been universal, but the general trend is clear: Ever more, producers are adopting sourcing policies, participating in third-party audits, taking steps to address high-risk sources, and increasing the percentage of lower-impact, Next Gen inputs in their fibre lines. In addition, producers are more widely using FSC-certified wood inputs and investing in traceability systems. All of the above are key ingredients for credible brand reporting, regulatory compliance, and risk reduction.

RAISING THE BAR

Independent Verification and Cleaner Production

The Hot Button Report is more than a benchmark — it’s a signal for action. At the core of its credibility is verifiable data, including third-party audits that assess producers’ raw material sourcing and shine a light on potential risk. These CanopyStyle audits are independently conducted and publicly available, ensuring that performance ratings are grounded in evidence, not self-reporting.

Today, the CanopyStyle audits cover **producers in 11 countries** and represent the overwhelming majority of global MMCF output. Many companies now update their audits regularly, reinforcing year-over-year accountability and progress. This growing participation reflects the report’s influence in shaping supplier transparency and brand confidence.

Since 2019, the Hot Button Report has incorporated data on clean production provided by ZDHC. Information on each producer’s participation in ZDHC’s chemical-management programs (chemical recovery, wastewater treatment, and air emissions) is reported, with scoring provided by ZDHC.

These updates are part of Canopy’s ongoing efforts to contemporize the Hot Button framework as the field evolves, ensuring that the report continues to accurately assess environmental leadership across varying levels of systems maturity. With the addition of the updated chemical management progress criteria, **brands can now access a clearer, more integrated view of both fibre sourcing and manufacturing practices**, all within a single tool.

For producers, this means greater clarity on expectations. For brands, it means less cross-referencing between standards, and more confidence in choosing suppliers whose environmental performance reflects progress across the supply chain.

In short, these additions to the report are another step toward a more resilient and lower-impact MMCF sector — one where sourcing transparency and clean production go hand-in-hand.

TO DATE

Over 35 CanopyStyle audits have been completed and made publicly available

Audited producers span 11 countries and account for more than 75% of the producers assessed in the Hot Button Report

Many companies now update audits regularly, creating ongoing accountability

INNOVATION TAKES ROOT

Scaling Next Generation Solutions

Another area of increasing focus is the transition from virgin forest fibre to Next Generation Solutions — fibres made from recycled textiles, agricultural residues, or other low-impact alternatives.

While initially deemed far-fetched by most producers, Next Gen production is growing. The Hot Button Report includes criteria specifically designed to reward producers investing in the scaling of Next Gen technologies and infrastructure.

Many fibre producers that have yet to launch commercial-scale products are actively engaged in innovation and testing. The Hot Button Report doesn't dictate which solutions producers should adopt, but it highlights for brands where investments in lower-impact innovation are happening and which fibre producers are moving toward more resilient, vital, forest-free alternatives.

INDUSTRY SUPPORT FOR CONSERVATION OF ANCIENT AND ENDANGERED FORESTS

With **97.5% of global MMCF production now tracked** through the Hot Button Report, a clearer picture of environmental leadership is emerging. Over the past decade, the report has helped spotlight and, in many cases, incentivize producer action to protect some of the world's most ecologically significant forests.

That includes a sourcing agreement to exclude over one million hectares of intact, carbon-rich, endangered species habitat in Canada's Boreal, and successful interventions on forestry concessions in the Leuser Ecosystem — one of the last places on Earth where orangutans, elephants, and tigers coexist. These actions have helped ensure these forests can be managed for their conservation value. Several producers have shifted procurement away from high-risk regions or supported protection for threatened landscapes such as British Columbia's old-growth and the Broadback Forest in Quebec.

In parallel, the Hot Button framework has helped spark unlikely alliances — between brands, suppliers, and NGOs — that have strengthened international calls for forest protection. In 2024, **over three-quarters of rated producers cosigned a global appeal to governments for stronger biodiversity safeguards** at COP16 and signalled growing sector alignment on the urgency of conservation.

These actions of producers are not scored in isolation. They are woven into the report's broader assessment of environmental performance, reinforcing that sourcing decisions can drive both local impact and global influence.



97%
OF GLOBAL MMCF PRODUCTION IS NOW TRACKED
THROUGH THE HOT BUTTON REPORT

FROM SCORECARD TO SECTOR SIGNAL

Over the past decade, the Hot Button Report has evolved from a pioneering benchmarking tool into one of the most trusted references for tracking environmental performance in MMCF fibre sourcing. With its public ratings, evolving criteria, and integration of independent audits, it has brought long-needed clarity to a supply chain that was once largely opaque, particularly when it came to forest risk.

Today, sourcing teams rely on the report to assess risk, select preferred suppliers, and guide policy implementation. Producers use it as a roadmap to strengthen sourcing practices, increase transparency, and align with customer expectations. And across the sector, it’s contributing to a wider shift — one where clear signals are accelerating tangible action.

That shift is not just visible in shirt colours. Brands are increasingly setting 2030 targets to scale Next Gen fibre use and reduce reliance on virgin forest inputs. In a market where MMCF demand has more than doubled — from around three million tonnes in 1990 to nearly eight million tonnes today — **how that demand is met matters.**

For many brands, MMCF is seen as a key alternative to petroleum-based synthetics. But not all alternatives are equal. Virgin-forest-based MMCF is vulnerable to market volatility, biodiversity loss, and supply-chain disruptions such as fires and fibre shortages. In contrast, circular Next Gen production offers greater resilience. Sourcing from recycled textiles or agricultural residues reduces exposure to climate-driven instability and eases the pressure on Ancient and Endangered Forests already under stress from industrial logging, land conversion, and rising fire risk.

Water use is another growing factor in sourcing decisions. Emerging life-cycle analyses show that Next Gen inputs can dramatically reduce freshwater consumption used in manufacturing compared to forest-based feedstocks — an advantage that’s becoming harder to ignore in an era of climate disruption and water scarcity.

As Canopy prepares to release the 10th edition of the Hot Button Report in the lead-up to COP30 — widely anticipated as a milestone for global biodiversity and climate ambition — the signals are clear: The sector is moving. The choices made now will determine whether the future of MMCFs remains tied to an extractive, high-risk model or evolves into a resilient, circular, low-carbon system powered by Next Gen solutions that keep forests standing and ecosystems intact.

AS OF JUNE 2025

Twelve producers have launched commercial-scale Next Gen fibre lines, with early leaders such as Lenzing, Aditya Birla and Sanyou.

Four producers — Jilin Chemical Fiber, Bailu Group, Yibin Grace and Tangshan Sanyou have launched their own in-house Next Gen MMCF and/or pulp capacity.

Canopy estimates that Next Gen production over the next decade could divert about 34 million tonnes of textile waste from landfills, equivalent to seven Great Pyramids / 721 Titanics / over 3300 Eiffel Towers.



WHAT'S NEEDED NEXT TO BUILD A RESILIENT MMCF SUPPLY CHAIN

The Hot Button Report shows that change is happening — but sustaining that progress will take shared and concerted commitment.

FOR PRODUCERS;

it means deepening traceability of materials all the way back to the forest of origin, scaling the use and production of lower-impact Next Generation fibres, and prioritizing increasing FSC-certified inputs where wood is needed.

FOR BRANDS;

it means turning commitments into action: developing strong, measurable targets for the adoption of Next Gen materials and integrating those fibres into their supply chains. Using the Hot Button Report can inform supplier selection, mitigate risk, and align procurement with sustainability goals.

FOR THE SECTOR;

It means recognizing that while gains are real, they aren't guaranteed. Forest risk remains, data gaps persist, and fibre demand is growing fast. Keeping forests standing will require consistent follow-through as well as clear market signals that reinforce the shift to lower-impact sourcing.

The 10th edition of the Hot Button Report will be released in the last quarter of 2025. It will serve not only as a benchmark of where the sector stands, but as a testament to the power of collective action and to what's possible when innovation, accountability, and leadership align. The next chapter will demand deeper investments in Next Gen, stronger traceability systems, and conservation strategies embedded across the supply chain, from fibre producers to spinners and weavers. The path forward is clear, and the pace of progress will define the decade ahead.

“We’ve seen what’s possible when brands and producers galvanize around clear performance expectations. The Hot Button Report creates that common reference point for the viscose and MMCF value chain — and it’s helping shape how decisions get made and forests get protected.”

NICOLE RYCROFT
FOUNDER & EXECUTIVE DIRECTOR, CANOPY

HOT BUTTON TIMELINE A snapshot of sector progress through the lens of the Hot Button Report

2016

Hot Button Report launched
Maximum score possible: 25 buttons



GREEN SHIRT PRODUCERS
0

2021

12 producers testing or trialling
Next Gen fibres



GREEN SHIRT PRODUCERS
13

2017

Five new performance criteria introduced
Report expands beyond top 10 producers



GREEN SHIRT PRODUCERS
2

2022

Dark Green Shirts increase from 2 to 6
93% of MMCF capacity under
sourcing policies
Six established commercial
Next Gen product lines



GREEN SHIRT PRODUCERS
17

2018

54% of global viscose capacity verified
through CanopyStyle audits
First significant wave of Chinese
producer engagement



GREEN SHIRT PRODUCERS
2 (plus 1
Green-Yellow)

2023

54% of global MMCF production
comes from Green shirt producers
There are now eight established
commercial lines of Next Gen made
with recycled textiles



GREEN SHIRT PRODUCERS
20

2019

First Partial Dark-Green Shirts awarded
to Aditya Birla and Lenzing
Birla, Sanyou, and Lenzing launch
Next Gen product lines
Collaboration begins with ZDHC
on chemical management



GREEN SHIRT PRODUCERS
4

2024

97.5% of global MMCF production now
covered by the Report
71% of producers assessed earn Green,
partial Dark Green, or Dark Green ratings
78% of producers sign the biodiversity call
to action ahead of COP16



GREEN SHIRT PRODUCERS
21

2020

Hot Button Report becomes an
interactive online tool
Chemical management criteria added
Collaboration for Sustainable
Development of Viscose (CV) aligns
Roadmap to 2025 with CanopyStyle
First full Dark Green Shirts awarded



GREEN SHIRT PRODUCERS
10

2025

Stay Tuned!

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COMMUNICATIONS@CANOPYPLANET.ORG

[CANOPYPLANET.ORG](https://canopyplanet.org)

