Lye, or sodium hydroxide, is a chemical made from salt. Just ordinary pure salt treated through a system similar to electroplating is used to change the salt to lye

I have soap that don't list lye as an ingredient. How is this possible if all soap is made with lye?

Companies are getting really good at disguising lye so that it's not apparent on the label. It has to be in there in some form, so you might see words like sodium cocoate or sodium tallowate. These are consumer-friendly ways of saying lye mixed with coconut oil or lye mixed with tallow. Other words you might see are saponified coconut oil or saponified palm oil. Same thing – these oils are mixed with lye. Remember, there is no lye in the end product.

Thanks DIY