



Tracing progress: 2024 insights into palm and soy supply chains

Assessing six years of progress in deforestation free sourcing

JUNE 2025

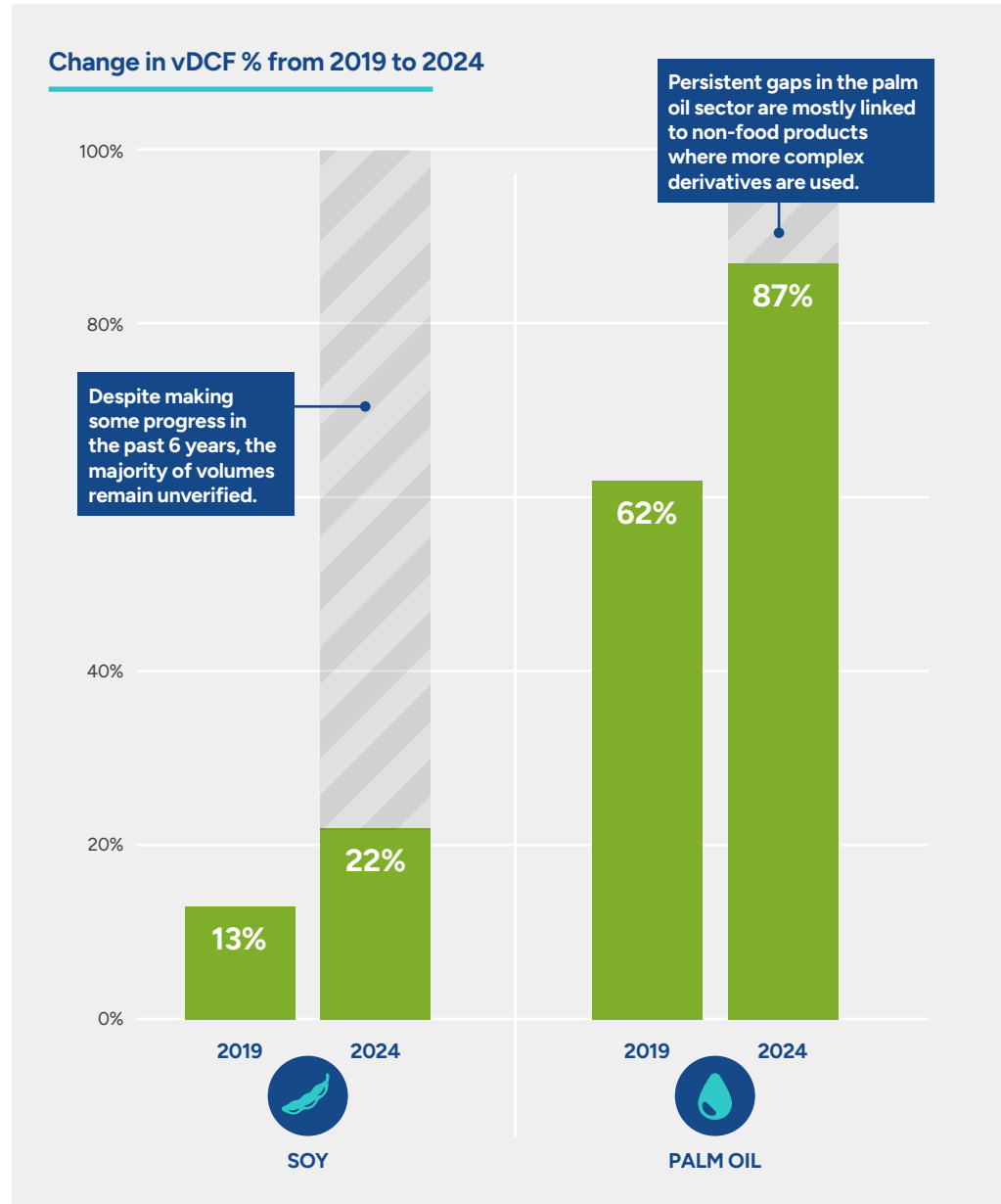
3keel

Executive Summary

Through annual standardised supplier engagement and data collection, 3Keel has tracked progress towards verified deforestation- and conversion-free (vDCF) within key agricultural commodity supply chains for eight years. This report presents the latest trends in soy and palm oil volumes reported within retail, hospitality, and manufacturing supply chains for 2024, highlighting both progress and persistent barriers.

Key findings include:

1. Achieving vDCF targets requires addressing sector-specific obstacles
2. Swift action in the soy sector is needed to meet vDCF targets
3. On average, 5 suppliers control whether or not their customers can make significant progress towards their targets
4. Soy supply chain complexity creates challenges transferring vDCF claims down the supply chain
5. There are difficulties in estimating footprints due to varying commodity usage
6. Market-level statistics are illustrating the limits of supply chain initiatives



RECOMMENDATIONS

These findings inform the following recommendations to accelerate progress and prepare for upcoming milestones:



Companies should develop targeted action plans to close the gap to their 2025 vDCF goals, focusing efforts on key suppliers and establishing sector-aligned post-2025 expectations.



Policymakers should strengthen and fully implement due diligence legislation to cover deforestation and land conversion, providing clear-scenario guidance to support implementation.



Civil Society should champion effective regulation in producer and consumer markets, and continue refining guidance on how vDCF progress should be presented in public claims.

Sustained, coordinated action across these groups is essential to meet deforestation goals and effectively prevent new forest loss and land conversion.

Introduction

Since 2017, 3Keel has worked with retailers, manufacturers and hospitality businesses to conduct a standardised annual data collection process for key agricultural commodities within own-brand supply chains. Suppliers to participating companies are asked to report on the volumes of palm oil, soy, cocoa, and coffee within their supply chains as well as their broader responsible sourcing policies and practices. This data enables the identification of deforestation risks and the tracking of year-on-year trends, helping companies—and the wider industry—develop stronger sourcing policies and improve supply chain practices.

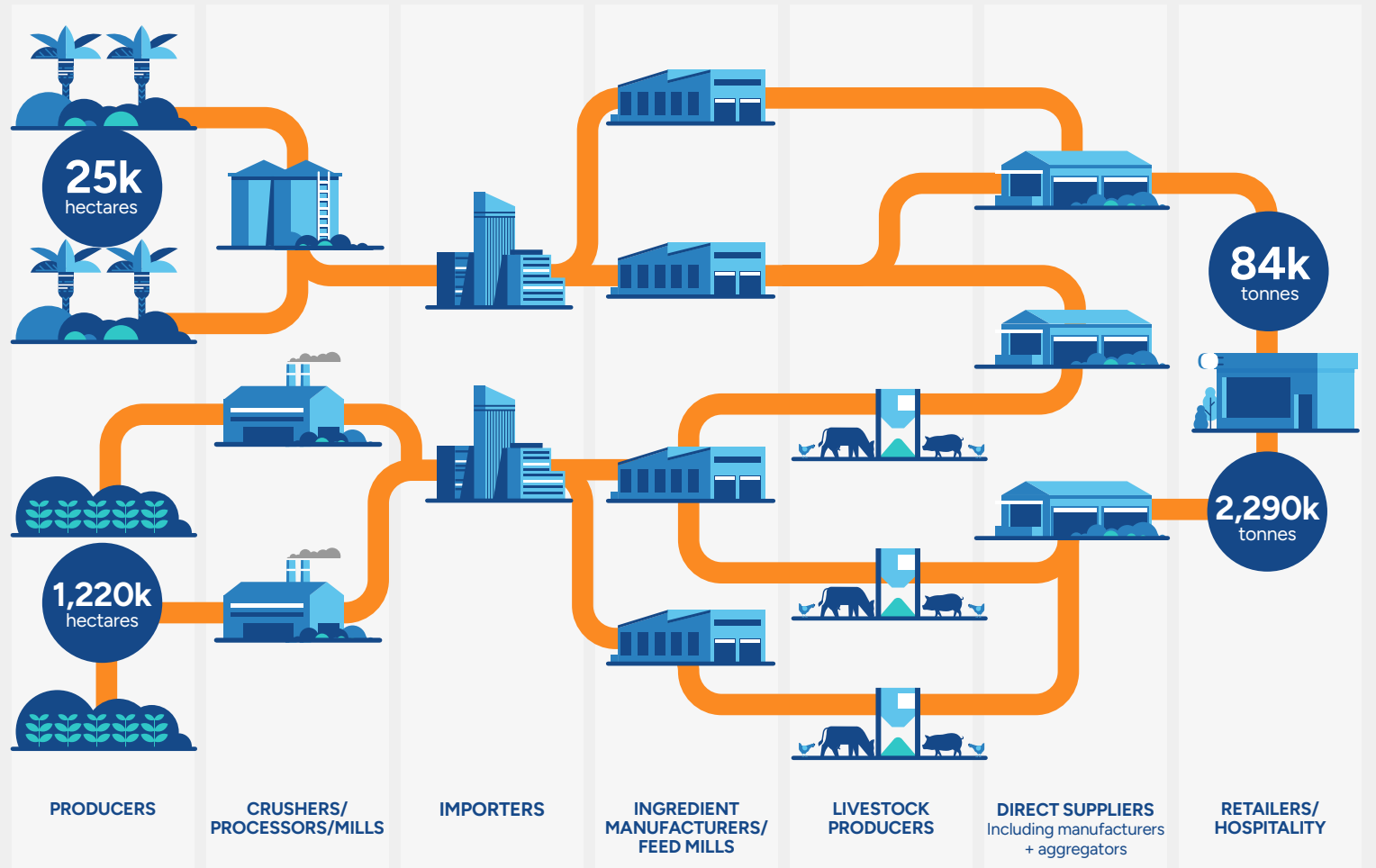
Despite improvements to supply chain data availability over the past eight years, major challenges remain. Global soy and palm oil supply chains remain opaque to these end of value chain businesses, leaving them with materials that are difficult to trace to origin, and thus directly verify whether materials are deforestation- and conversion-free (DCF). This complexity is particularly acute for soy, which is usually embedded in animal feed and indirectly linked to products such as meat, dairy, and eggs.

This report provides a snapshot of soy and palm oil volumes reported in 2024. While it focuses primarily on the UK market—where over 95% of retail supply chains are represented—it also draws on information from global suppliers where relevant, highlighting broader themes and progress across international operations.

Progress towards vDCF for soy and palm

1,693
reporting companies

18
retail, hospitality and
manufacturing supply chains



Tracking progress: Key indicators for Deforestation-Free supply chains

Three key indicators have been tracked year-on-year through supplier engagement by 3Keel:

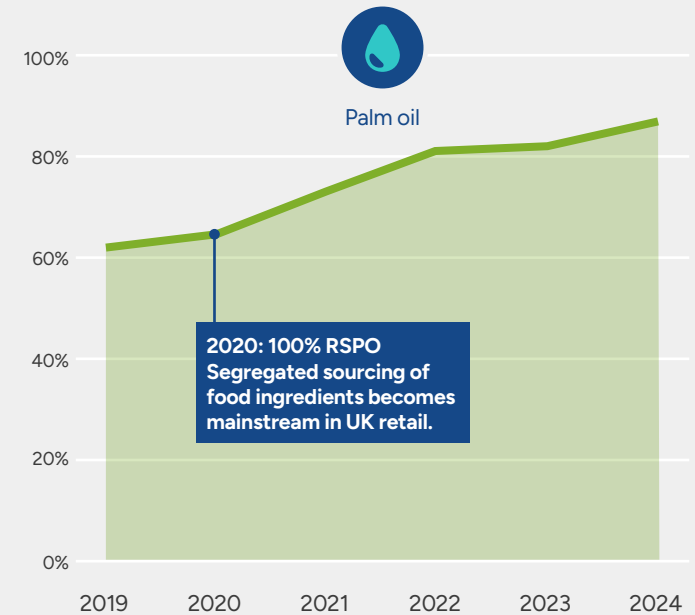
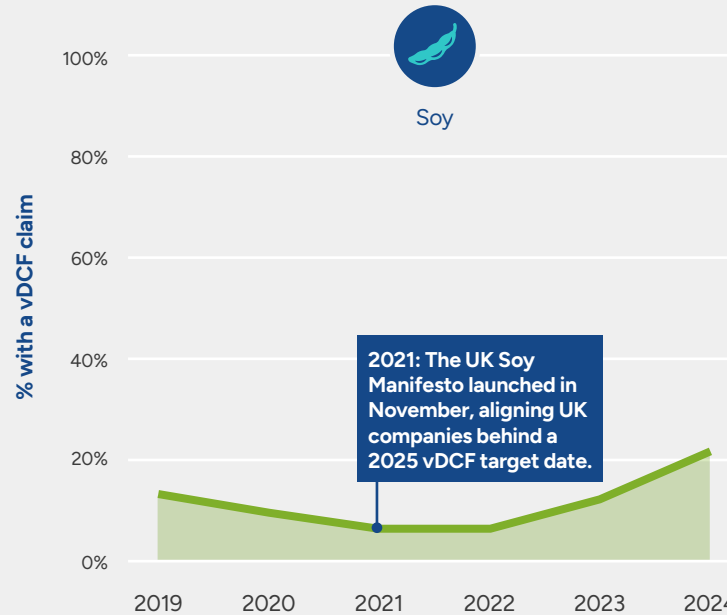
1. Deforestation- and Conversion- Free (vDCF)* Status
2. Traceability to the first importer
3. Traceability to the producing country

In the palm sector, a well-established focus on RSPO certification have contributed to consistently higher levels of reported vDCF volumes compared to soy.

The recent push toward voluntary commitments has driven progress across both commodity supply chains, and suppliers are increasingly able to link reported volumes to either a known importer or a producing country. However, progress towards vDCF in the palm sector has been relatively slow since 2021 leaving a persistent gap in non-food products where complex multi-tiered oleochemical and derivative supply chains have remained challenges.

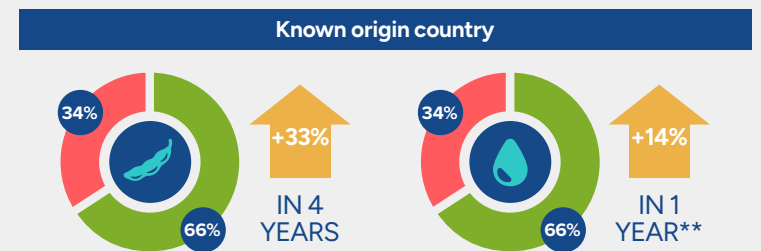
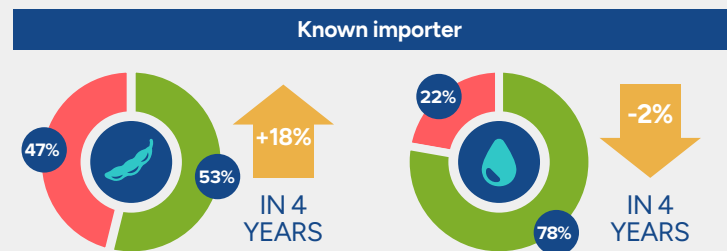
Sector-wide improvement remains urgent. Continued gaps in transparency to downstream actors mean that current evidence available to downstream companies may not be sufficient to meet incoming regulatory requirements such as the EUDR.

Retail progress towards vDCF for soy and palm



Progress towards transparency for soy and palm

■ Known ■ Not known



*For soy to be considered vDCF, it must meet one of the following criteria: certification under a European Feed Manufacturers' Federation (FEFAC) benchmark-approved scheme to a segregated level, sourced from a low-risk origin (i.e. non-South American country), or from a trader operating an independent third-party assessed Monitoring, Reporting and Verification (MRV) system. Palm oil must be RSPO certified to a Segregated or Identity Preserved level.

**2023 was the first year for which data on origin country was collected for palm

Key findings

1.

Achieving vDCF targets requires addressing sector-specific obstacles

2.

Swift action in the soy sector is needed to meet vDCF targets

3.

On average, 5 suppliers control whether or not their customers can make significant progress towards their targets

4.

Soy supply chain complexity creates challenges transferring vDCF claims down the supply chain

5.

There are difficulties in estimating footprints due to varying commodity usage

6.

Market-level statistics are illustrating the limits of supply chain initiatives

Achieving vDCF targets requires addressing sector-specific obstacles

Progress toward vDCF sourcing varies significantly across different product groups for soy and palm oil.

In the palm oil sector, non-food products - such as cosmetics and cleaning products - show very limited uptake of deforestation-free volumes, whilst in the soy sector, independent livestock producers in ruminant (e.g. beef and dairy) supply chains face challenges in being reached and supported by downstream companies, such as retailers.

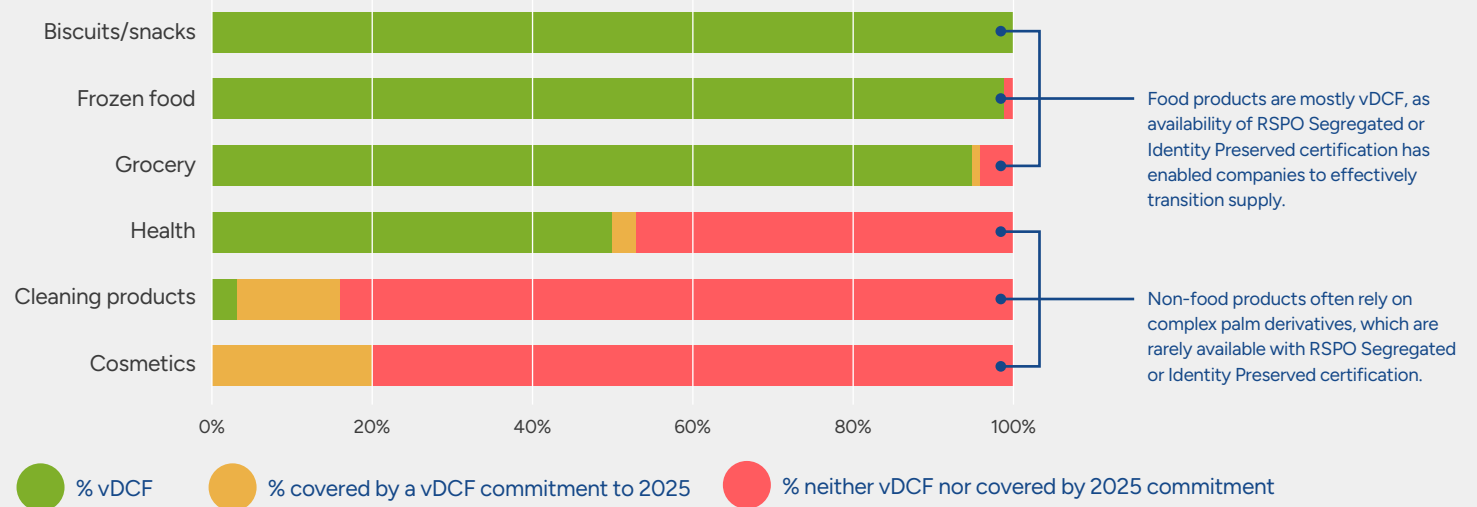
While these lower-performing product groups account for a smaller share of total commodity use—beef, lamb, and dairy combined use a third of the soy consumed by poultry, and cosmetics, cleaning products, and health items use less than half the palm oil used in biscuits—**closing these gaps is essential for achieving overall vDCF targets.**

RECOMMENDATIONS

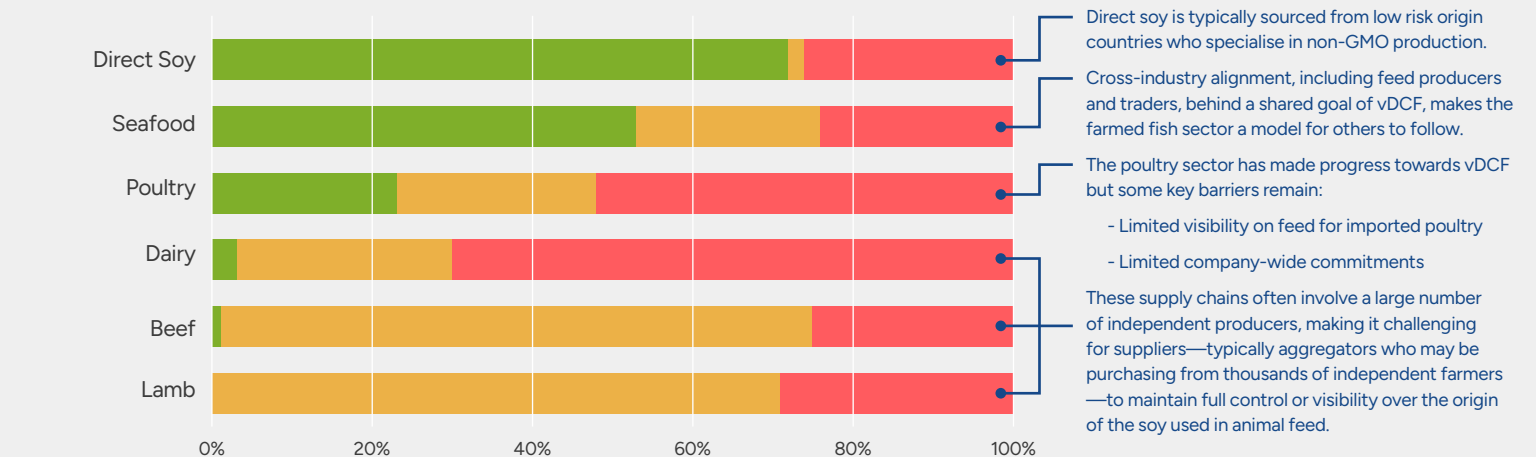
Retail, hospitality and manufacturing companies with vDCF commitments should look for options to support progress addressing barriers in sectors that have made the least progress towards vDCF, such as palm oil derivatives and supporting independent producer supply chains at a sector level.

Policy makers should work towards enacting aligned due diligence legislation to support and help streamline efforts and ensure there is no scope for products linked to deforestation and conversion to enter the market.

Progress and commitments towards deforestation and conversion-free palm by volumes in the UK



Progress and commitments towards deforestation and conversion-free soy by volumes in the UK



Swift action in the soy sector is needed to meet downstream deforestation targets

With the introduction of due diligence legislation and evolving industry standards—such as the requirement for companies with science-based targets to deliver vDCF goals for key commodities by 2025—a significant portion of the palm oil and soy sectors is now covered by vDCF commitments.

This trend is particularly relevant in the UK soy industry, where the UK Soy Manifesto requires signatories to achieve verified supply chains by 2025. In the UK palm oil sector, an additional 3% improvement is needed to fulfill existing commitments set by suppliers. However, **in the UK soy sector, the proportion of vDCF soy must increase threefold to meet targets** set by suppliers who reported.

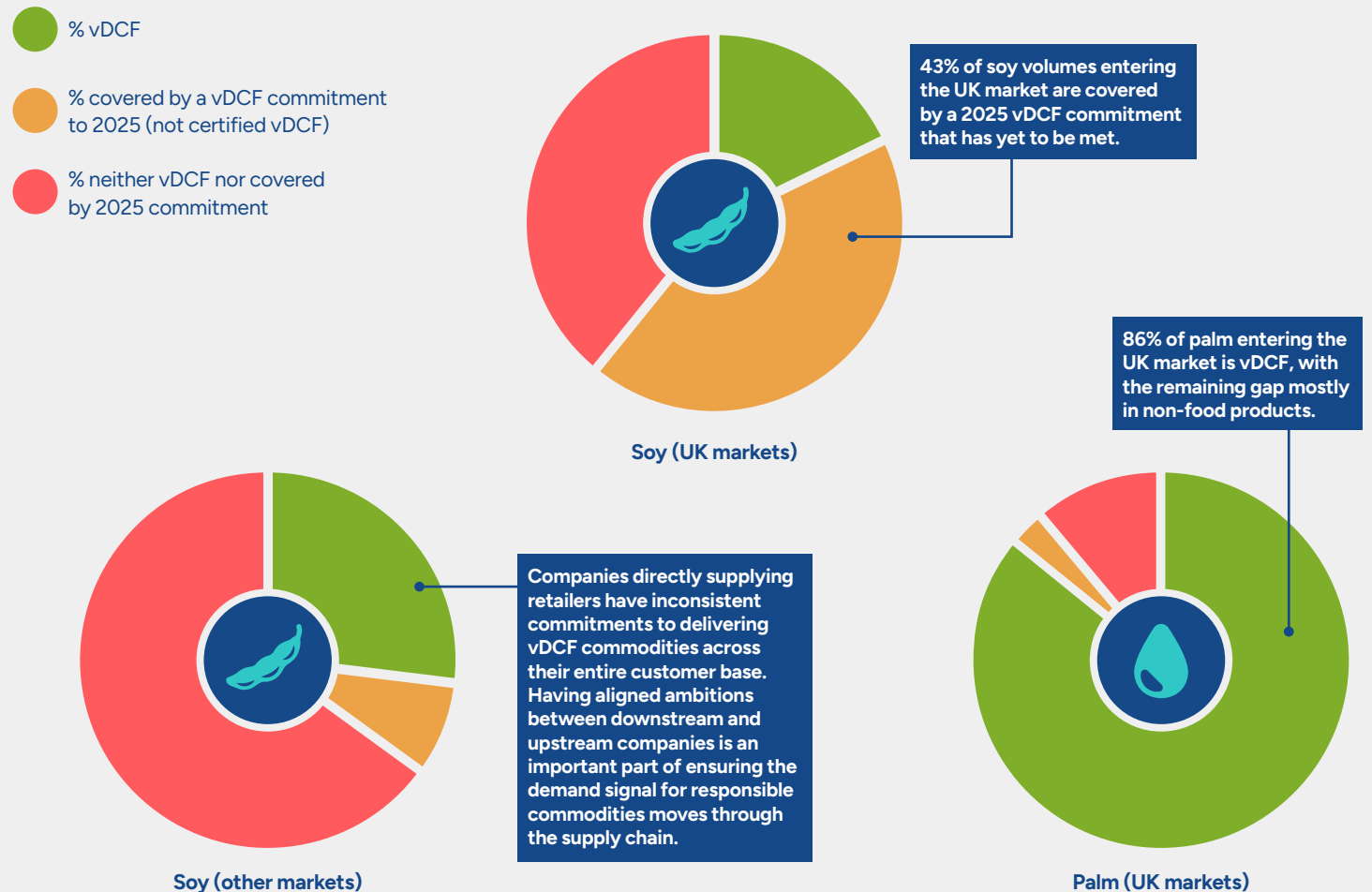
The discrepancy between reported progress and commitments toward vDCF may partly stem from differing definitions of vDCF. Some companies class volumes certified through Credit or Mass Balance systems as vDCF, though these approaches have faced criticism from civil society groups due to the mixing of vDCF and non-vDCF sources.

RECOMMENDATIONS

Companies with vDCF commitments should develop clear, actionable plans to meet 2025 targets with aligned definitions. Participation in industry initiatives is encouraged, particularly to address supply limitations of vDCF materials.

Policy makers should work towards enacting aligned due diligence legislation to streamline company compliance efforts and planning.

Progress and commitments towards deforestation and conversion-free by volumes



On average, five suppliers control whether or not their customers can make significant progress towards their targets

Although the average number of suppliers engaged per participating company ranged from 130 (palm) to 138 (soy), the majority of each company's footprint is typically concentrated among a small group of suppliers.

For these key suppliers, a consistent approach to vDCF is rarely applied across the whole supply chain. **Verification approaches are often selected based on individual downstream customer requirements** rather than a company-wide commitment. In some cases, verification decisions are influenced by the specific wording in company policies — for example, where a policy covers 'soymeal' only, soy oil may be left uncertified even when soymeal is certified.

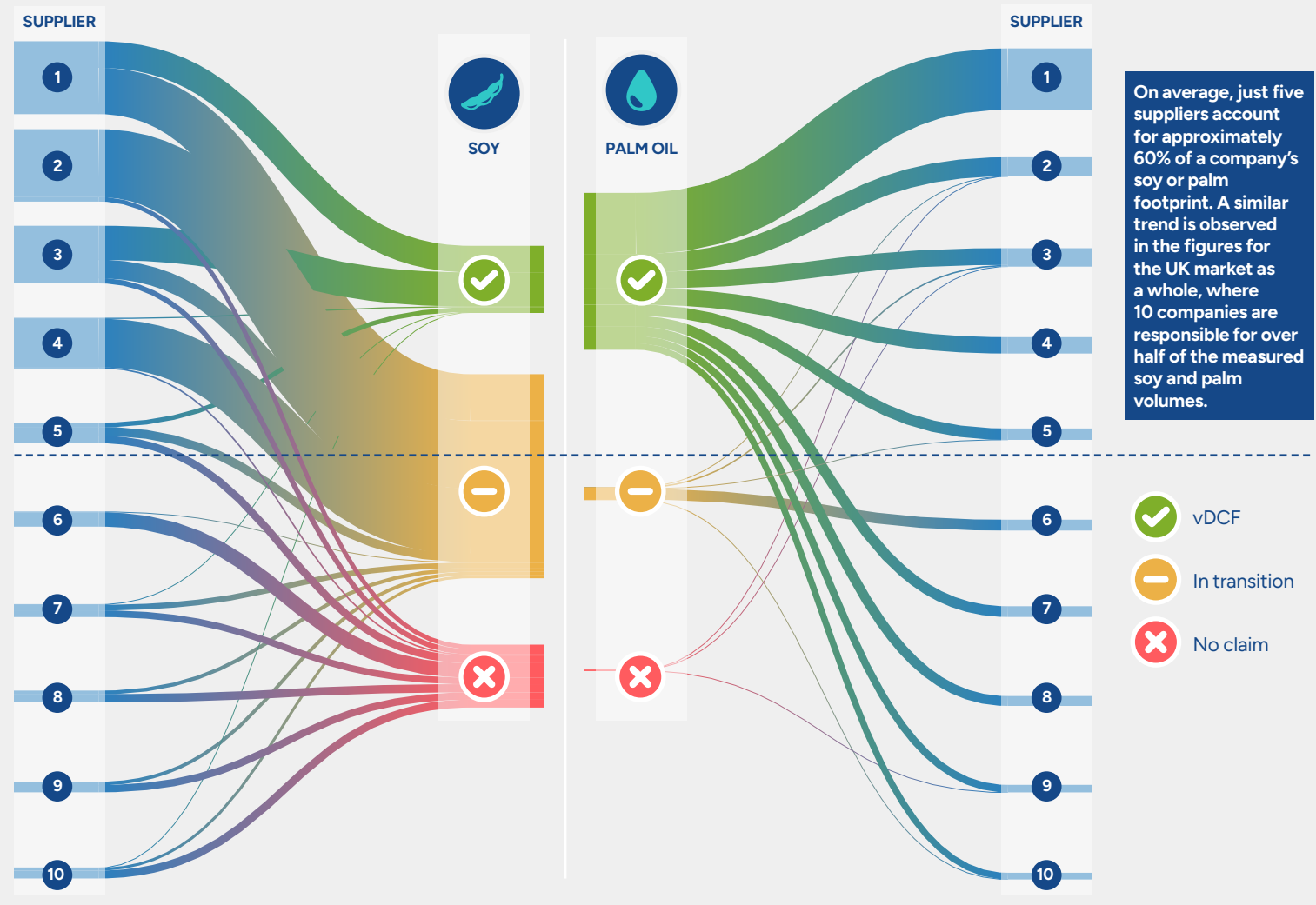
Sustainability certificates remain widely used in the transition to fully vDCF sourcing, where accepted by downstream companies. However, they are not a substitute for the deeper supply chain transformation that is ultimately required. Completing this transition will be essential to meet deforestation and conversion commitments in a credible and lasting way.

RECOMMENDATIONS

Retail, hospitality and manufacturing companies should set clear and consistent expectations for their suppliers for a move to 100% vDCF across all relevant products across their entire business, working especially with the most prominent suppliers on action plans.

Policy makers should support the goals of downstream companies by enacting due diligence legislation that places the greatest requirements on first importers.

vDCF status for the top 10 suppliers of palm and soy into the UK retail market



Soy supply chain complexity creates challenges transferring vDCF claims down the supply chain

Unlike palm oil, where traceability mechanisms are more established, the embedded nature of soy in products often prevents the seamless transfer of vDCF claims along the chain.

At reporting, it becomes difficult to reconcile data due to the use of different standards by suppliers. This inconsistency undermines the ability to assign vDCF status on a supplier-wide basis, even where it is clear that it is present for some downstream supply chains. The lack of business wide delivery means that verified volumes must be attributed to specific customers, adding paperwork, complexity and cost to the claims validation process.

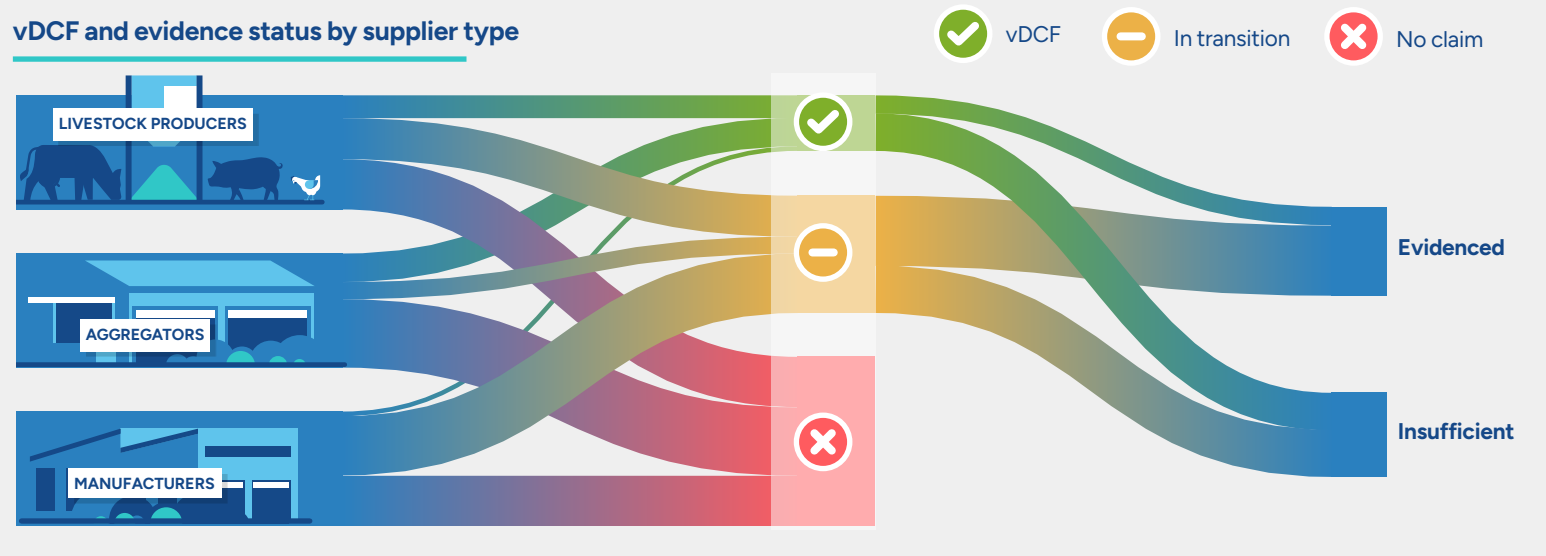
The issue is further complicated when companies do not adopt full commitments for all of their purchases, as shown in the diagram to the right.

As a result, downstream manufacturers continue to rely on transitional mechanisms—such as regional credits—to meet customer expectations.

Misalignment of supply chain volumes



vDCF and evidence status by supplier type



RECOMMENDATIONS

Livestock producers and aggregators should look to standardise their approach to vDCF across all their purchases in order to address these challenges.

Policy makers should support the development of standardised processes and systems for passing on claims through the supply chain.

There are difficulties in estimating footprints due to varying commodity usage

The accuracy of a company's palm or soy footprint calculation depends on the level of knowledge and data they possess.

The data indicates that standard conversion factors are not always sufficiently reliable for accurately calculating commodity footprints in the absence of primary data. However, these secondary sources are suitable for other purposes, such as materiality assessment and risk identification and management.

When companies rely on conversion factors to estimate the volume of product, there is a risk of over- or under- estimation. This can lead to a distorted picture of progress towards vDCF and potentially unnecessary cost. Companies should ensure they are using a fit for purpose approach to quantifying their commodity footprints.

RECOMMENDATIONS

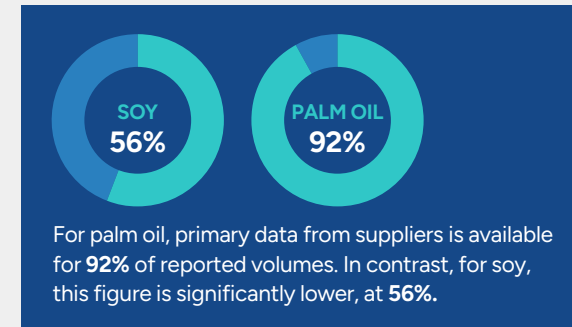
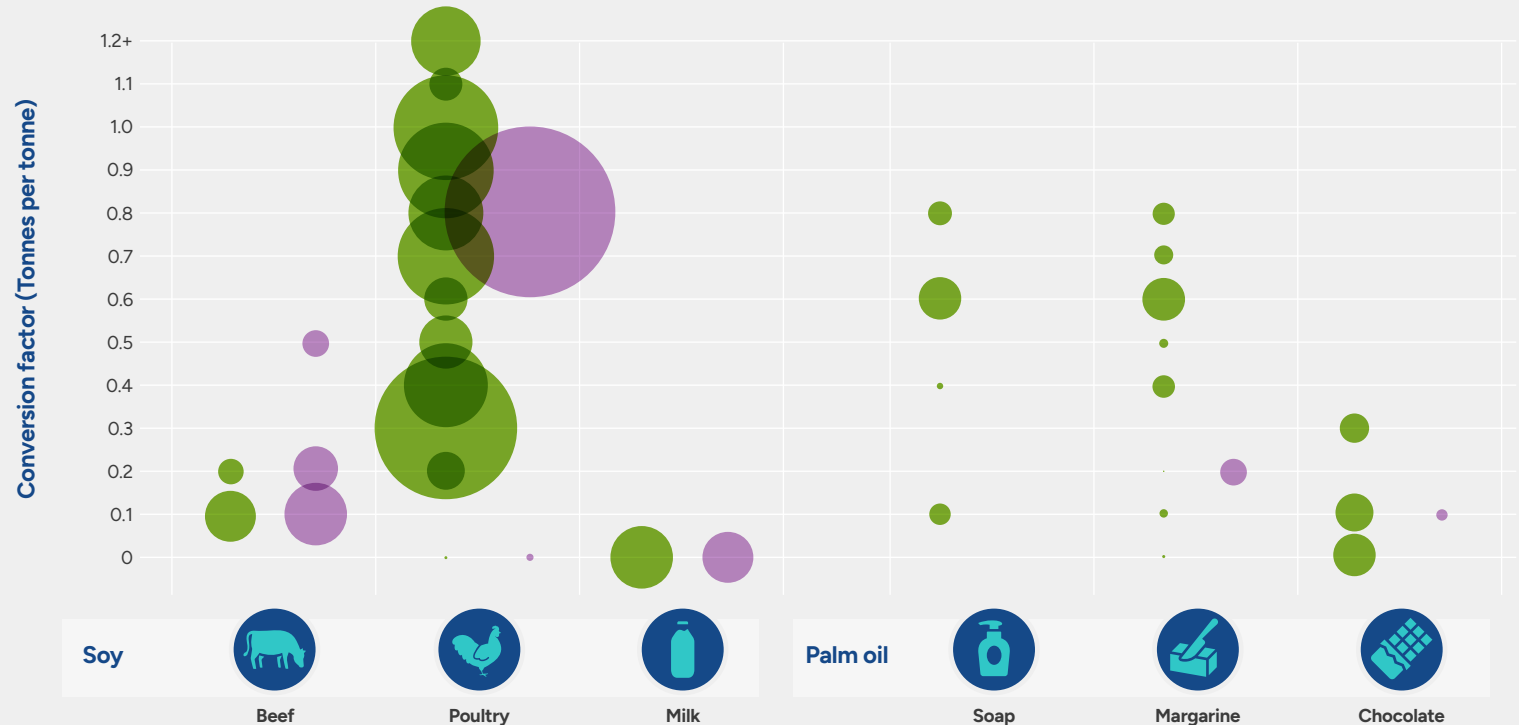
Retail, hospitality and manufacturing companies should focus on identifying primary producers and directly collecting data from them rather than developing a bigger data exercise.

Manufacturers and aggregators should seek technology solutions to support more automated disclosures.

Conversion factor range for 6 key products

● = Primary data ● = Secondary data

When suppliers have access to specific information—such as the percentage of palm oil in a product or detailed livestock feed data—this primary data is used to calculate their commodity footprint. However, in cases where the companies lack this information - for example, if they are a manufacturer without insight into upstream sourcing - a standard conversion factor based on typical production practices is applied instead.



Market-level statistics are illustrating the limits of supply chain initiatives

Some suppliers have begun to cite national statistics to classify portions of their supply chains as verified deforestation- and conversion-free (vDCF) without taking any demonstrable direct action themselves to address deforestation.

For example, in the UK, [unaudited and extrapolated statistics](#), were used by companies this year as part of their supplier-level vDCF claims (see right). This practice illustrates two challenges that companies must now address:

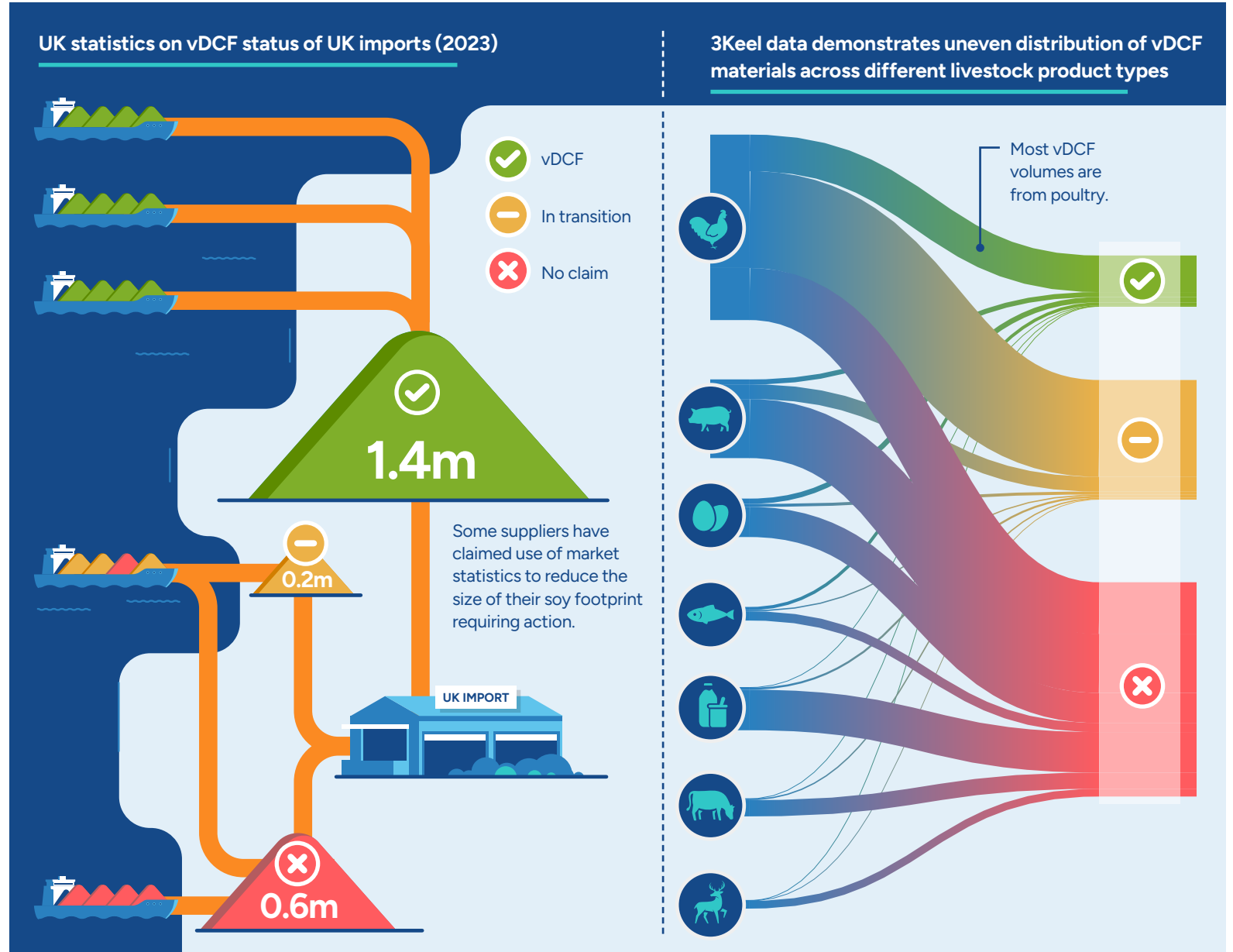
1. Expectations for evidence of vDCF supply chains. National statistics may be considered credible, but should not be relied upon if there isn't alignment on what statistics demonstrate sector-specific market progress. Where these are credible, there is still a need to ensure that the specific value chains using them are representative of the average profile.

2. vDCF is not the same as halting deforestation. Clearer expectations on what is needed to support soy producers is needed so that consuming markets and companies continue to support the ultimate goal of eradicating deforestation from the food system.

RECOMMENDATIONS

Civil society should revise guidelines to acknowledge progress—such as deforestation-free sourcing within a specific livestock sector or landscape—while avoiding over generalisations that misrepresent progress.

Retail, hospitality and manufacturing companies should ensure that DCF commitments are not limited to supply chain verification by including landscape investments.



Recommendations



Companies

- Develop clear and actionable plans for closing the gap to vDCF based on 2024 data and 2025 goals
- Explore industry solutions for sectors that continue to pose a challenge e.g. palm derivatives, independent livestock systems
- Confirm or reconfirm 2025 delivery expectations with those that are expected to be compliant
- Consider shift to focus on top suppliers and exclude small volume suppliers from quantitative reporting using a 3-year estimation approach
- Develop post-2025 expectations that can be shared with suppliers



Policy makers

- Enact, or expand, the scope of due diligence legislation to include both deforestation and land conversion
- Provide concise and scenario-based guidance, including on risk assessment approaches
- Focus compliance requirements on the first importers of materials to the market to reduce internal market costs, training needs, and paperwork
- Use product lists to clearly articulate the scope of what is in scope of requirements
- Engage with livestock producers, manufacturers, and retailers in developing requirements to ensure the full market is represented in discussions



Civil society

- Place full weight behind having effective regulations in place in consumption markets to deliver market-level deforestation and conversion free supply chains
- Continue refining guidelines on how vDCF progress should be represented in public claims, including chain of custody models and use of macro statistics
- Move away from traceability and certification being the primary measure being used to assess company contributions to addressing deforestation
- Promote initiatives and solutions to downstream companies that have a demonstrable impact in preventing new forest loss and land conversion

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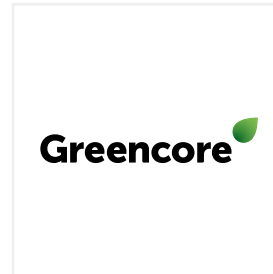
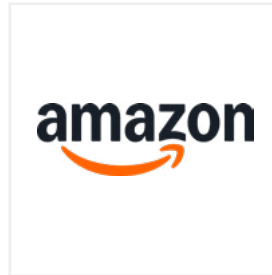
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