

# ANTICIPATED JOINT VENTURE BETWEEN SUZANO AND KIMBERLY-CLARK

## Decision on relevant merger situation and substantial lessening of competition

**ME 7134/25**

The Competition and Markets Authority’s decision on relevant merger situation and substantial lessening of competition under section 33(1) of the Enterprise Act 2002 given on 28 May 2026. Full text of the decision published on 19 June 2026.

The Competition and Markets Authority (**CMA**) has excluded from this published version of the decision information which the CMA considers should be excluded having regard to the three considerations set out in section 244 of the Enterprise Act 2002 (specified information: considerations relevant to disclosure). The omissions are indicated by [§<]. Some numbers have been replaced by a range, which are shown in square brackets.

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# SUMMARY

## OVERVIEW OF THE CMA'S DECISION

1. The Competition and Markets Authority (**CMA**) has found that the proposed joint venture between Suzano S.A. (**Suzano**) and Kimberly-Clark Corporation (**Kimberly-Clark**) is a relevant merger situation that does not give rise to a realistic prospect of a substantial lessening of competition (**SLC**).
2. Suzano has agreed to acquire control of substantially all of the assets of Kimberly-Clark's International Family Care & Professional business located in certain geographic regions (the **Target**) via a joint venture structure. The CMA refers to this acquisition as the **Merger**. Suzano and the Target are together referred to as the **Parties** and, for statements relating to the future, the **Merged Entity**.

## Who are the businesses and what products/services do they provide?

3. Suzano is a supplier of wood pulp, principally bleached eucalyptus kraft pulp (**BEKP**), a hardwood pulp manufactured from eucalyptus trees.
4. The Target is a business unit of Kimberly-Clark, a global supplier of consumer products. The Target is active in the supply of tissue products for personal and professional use across various geographies including Europe (including in the UK, where it has two mills in Northfleet and Barrow), Africa, Central and South America, Middle East, Asia, and Oceania.
5. BEKP is used to produce a range of products, including consumer tissue products.
6. In this investigation, the CMA focused on the relationships between:
  - (a) The supply of BEKP, where Suzano is active, and
  - (b) The supply of consumer tissue products, where the Target is active.

## Why did the CMA review this merger?

7. The CMA's primary duty is to seek to promote competition for the benefit of consumers. It has a duty to investigate mergers that could raise competition concerns in the UK, provided it has jurisdiction to do so. In this case, the CMA has concluded that the CMA has jurisdiction to review this Merger because each of Suzano and the Target are enterprises that will cease to be distinct as a result of the Merger, and because the turnover test is met.

## **What evidence has the CMA looked at?**

8. In assessing this merger, the CMA considered a wide range of evidence in the round.
9. The CMA received several submissions and responses to information requests from the Parties. This included information about the nature of the Parties' businesses, the rationale for the Merger, the supply relationships between Suzano and the Target and its competitors, and the Parties' competitive positions in the upstream and downstream markets.
10. The CMA examined the Parties' internal documents, which show how they run their respective businesses, monitor the markets in which they operate, and their future business plans.
11. The CMA has also gathered evidence from other companies (such as customers and competitors) in both the upstream and downstream markets to understand the competitive landscape and their views on the impact of the Merger.

## **What did the evidence tell the CMA about the effects on competition of the Merger?**

12. The CMA looked at whether the Merger would lead to a substantial lessening in competition in the supply of consumer tissue products in the UK as a result of input foreclosure by Suzano, for example through Suzano degrading its supply of BEKP to the Target's rivals in the UK post-Merger.
13. The CMA found that Suzano would have no ability to foreclose the Target's rivals in the UK:
  - (a) While BEKP is an important input in consumer tissue products and Suzano holds a strong position in the supply of BEKP in the EEA and UK, the evidence shows there is a range of strong alternative suppliers that pose a material constraint on Suzano.
  - (b) Consumer tissue producers face limited barriers to switching to alternative suppliers and most customers told the CMA they would switch in response to such a strategy.
  - (c) There is likely to be sufficient available capacity to enable customers to switch to alternative BEKP suppliers in response to a foreclosure strategy.
14. The CMA also found that Suzano would not have the incentive to engage in this strategy. The evidence shows that any potential downstream gains from a foreclosure strategy would likely be limited to the short term and would likely be outweighed by substantially larger longer term upstream losses in sales of BEKP.

## What happens next?

15. The Merger will therefore **not be referred** under section 33(1) of the Enterprise Act 2002 (the **Act**).

# ASSESSMENT

## 1. PARTIES, MERGER AND MERGER RATIONALE

16. Suzano is a global supplier of BEKP, a hardwood pulp manufactured from eucalyptus trees.<sup>1</sup> Suzano's turnover in 2024 was approximately £[<] worldwide and approximately £[<] in the UK.
17. Kimberly-Clark is a global supplier of consumer products, including tissue products. Kimberly-Clark's business is split into three units: (i) International Family Care & Professional; (ii) North America; and (iii) International Personal Care. The Target comprises substantially all the assets of the International Family Care & Professional business located in certain geographic regions. The turnover of the Target in 2024 was approximately £[<] worldwide and approximately £[<] in the UK.
18. The Merger involves the creation of a joint venture between Suzano and Kimberly-Clark. Prior to completion, substantially all the assets of the Target will be transferred to Kimberly-Clark IFP NewCo B.V. (**KC NewCo**), an indirect wholly-owned subsidiary of Kimberly Clark. Upon completion, a wholly-owned subsidiary of Suzano, Suzano International Holding B.V., will acquire 51% of the shares of KC NewCo and Kimberly-Clark will retain 49%.
19. The Parties informed the CMA that the transaction was reviewed and cleared by the European Commission (**EC**) as well as the competition authorities in Australia, Brazil, Colombia, Israel, Peru, and South Africa (cleared subject to conditions).
20. The Parties submitted that the Merger aligns with Suzano's strategy to expand its presence in the consumer tissue space, drawing on its pulp production expertise and operational management experience, and benefiting from Kimberly-Clark's know-how in brand management, marketing and commercialisation of both regional and global tissue brands. By integrating operations, Suzano aims to enhance efficiency, optimise supply chains, and create growth opportunities in the tissue segment globally.<sup>2</sup>
21. The Parties further submitted that the Merger is consistent with the industry-wide trend towards an integrated approach to tissue production and that vertically-integrated players are growing faster than non-integrated players and impose downward pressure on prices (including as a result of cost efficiencies and reductions). The Parties noted that this has been a trend observed globally among

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<sup>1</sup> This is done through the kraft manufacturing process, which is a chemical process for converting wood into wood pulp, involving treating wood chips with various chemicals to break down the bonds in the fibre.

<sup>2</sup> Final Merger Notice submitted to the CMA on 26 March 2026 (**FMN**), paragraphs 2.13-2.14.

tissue producers in different jurisdictions, such as Bracell in Brazil and RGE/Vinda in China.<sup>3</sup>

## 2. PROCEDURE

22. The CMA's mergers intelligence function identified the Merger as warranting an investigation.<sup>4</sup>
23. The CMA commenced its phase 1 investigation on 27 March 2026. As part of its phase 1 investigation, the CMA gathered a significant volume of evidence from the Parties.
24. In response to targeted information requests, the CMA received and reviewed data and internal documents from Suzano and Kimberly-Clark to understand how they run their respective businesses (including their supply relationships insofar as they relate to BEKP), how they monitor the markets in which they operate, the rationale for the Merger and their post-Merger plans.
25. The Parties also had opportunities to make submissions and comment on the CMA's emerging thinking throughout the phase 1 investigation. For example, on 5 May 2026 the CMA invited the Parties to attend an Issues Meeting, and the Parties submitted their views in writing. The CMA also gathered evidence from other market participants, such as customers and competitors of both Parties.
26. The Merger was considered at a Case Review Meeting.<sup>5</sup>

## 3. JURISDICTION

27. Each of Suzano and the Target are enterprises. As a result of the Merger, these enterprises will cease to be distinct.
28. As a result of the Merger, Suzano (indirectly through Suzano International Holding B.V.) will hold 51% of the issued share capital of KC NewCo, containing the Target business, and Kimberly-Clark will, indirectly, hold the other 49%.<sup>6</sup> Regarding levels of control, the CMA considers that:
  - (a) Suzano will have a controlling interest in KC NewCo, through its wholly-owned subsidiary, given that it will have the ability to appoint a majority of its board members and will hold a majority of voting rights.<sup>7</sup>

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<sup>3</sup> FMN, paragraph 2.19.

<sup>4</sup> [Mergers: Guidance on the CMA's jurisdiction and procedure \(CMA2\)](#), 19 December 2025, paragraphs 6.5–6.8.

<sup>5</sup> [CMA2](#), page 52.

<sup>6</sup> FMN, paragraphs 2.1-2.10.

<sup>7</sup> Suzano will also acquire a call option to acquire Kimberly-Clark's remaining 49% interest in KC NewCo, subject to certain conditions (FMN, paragraph 2.8).

(b) Kimberly-Clark will be able to exercise at least material influence over KC NewCo. This is on the basis that it will retain, through its subsidiaries, 49% of the voting rights and the right to appoint two out of five board members. It will also have accompanying consent rights over a range of policy matters, eg capital expenditures that exceed a certain threshold.<sup>8</sup>

29. The CMA therefore considers that the Merger will result in Suzano and the Target ceasing to be distinct.
30. The UK turnover of the Target exceeded £100 million (£[>])<sup>9</sup> in 2024 so the turnover test in section 23(1)(b) of the Enterprise Act 2002 (the **Act**) is satisfied.
31. The CMA therefore believes that it is or may be the case that arrangements are in progress or contemplation which, if carried into effect, will result in the creation of a relevant merger situation.

## 4. COUNTERFACTUAL

32. The CMA assesses a merger's impact relative to the situation that would prevail absent the merger (ie the counterfactual).<sup>10</sup>
33. In an anticipated merger, the counterfactual may consist of the prevailing conditions of competition, or conditions of competition that involve stronger or weaker competition between the parties to a merger than under the prevailing conditions of competition.<sup>11</sup> In determining the appropriate counterfactual, the CMA will generally focus only on changes to the prevailing conditions of competition where there are reasons to believe that those changes would make a material difference to its competitive assessment.<sup>12</sup>
34. In this case, the CMA has not received submissions (or other evidence) suggesting that the Merger should be assessed against an alternative counterfactual. The CMA therefore considers the prevailing conditions of competition to be the relevant counterfactual.

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<sup>8</sup> FMN, paragraph 2.10.

<sup>9</sup> FMN, paragraph 5.1.

<sup>10</sup> [Merger Assessment Guidelines](#) (CMA129), March 2021, paragraph 3.1.

<sup>11</sup> [CMA129](#), paragraph 3.2.

<sup>12</sup> [CMA129](#), paragraph 3.9.

## 5. COMPETITIVE ASSESSMENT

### 5.1 Background and nature of competition

#### 5.1.1 Overview of the supply chain

35. Wood pulp is one of the principal materials used to manufacture paper, including tissue paper. Pulp is combined with water and other chemicals at specialised manufacturing plants to produce large rolls of paper (**parent reels**). Parent reels are subsequently converted into finished tissue products and sold to customers, such as retailers, wholesalers, and hospitality companies.<sup>13</sup>
36. Tissue producers require both hardwood pulp and softwood pulp to manufacture their products, due to their differing physical properties. Tissue suppliers use varying proportions of hardwood and softwood pulp depending on the tissue product being manufactured.<sup>14</sup>
37. BEKP accounts for the majority of hardwood pulp supplied globally.<sup>15</sup> BEKP is principally produced in South America, due to the substantial eucalyptus forests in the region.
38. Suzano is the largest producer of BEKP globally.<sup>16</sup> Suzano supplies several tissue manufacturers active in Europe and the UK, including Kimberly-Clark. There is therefore a vertical relationship between Suzano (as an upstream supplier of BEKP) and Kimberly-Clark (as a downstream customer of BEKP).
39. Certain companies operate in both the upstream supply of pulp and the downstream supply of tissue products. These companies are referred to as vertically integrated suppliers. Suzano is already vertically integrated in Brazil, having acquired Kimberly-Clark's Brazilian tissue business in 2023.<sup>17</sup>

#### 5.1.2 Nature of competition

##### 5.1.2.1 BEKP

40. BEKP suppliers compete on a range of parameters including price, quality and innovation, logistics, and certification.

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<sup>13</sup> FMN, paragraphs 11.5-11.14 and 11.79-11.84.

<sup>14</sup> Note of call with a third party, February 2026, paragraphs 16 and 26. [3<]

<sup>15</sup> FMN, paragraph 11.23. The Parties estimate that BEKP represents approximately 50-70% of fibre (ie all types of pulp including hardwood and softwood pulp) used by UK tissue producers. See FMN, paragraph 11.85(a).

<sup>16</sup> FMN, Table 13.

<sup>17</sup> FMN, paragraph 2.15.

41. BEKP is widely considered to be a commodity product which is largely standardised with limited variation in grades across suppliers.<sup>18</sup> The price of BEKP is dependent on a wide range of factors, including macroeconomic conditions such as the level of supply and demand.
42. BEKP can be procured through longer-term contracts or on a spot basis:
- (a) **Contractual negotiations.** In Europe (including in the UK), customers typically conduct annual negotiations with BEKP suppliers.<sup>19</sup> Although customers may have longer-term contracts with certain suppliers, price is typically determined on an annual or monthly basis.<sup>20</sup> Customers and suppliers typically incorporate a range of pricing mechanisms into their contracts, including discounts, rebates, volume commitments, and/or price caps/floors.<sup>21</sup> These mechanisms refer to public price indices<sup>22</sup> and/or the supplier's gross list prices.
  - (b) **Spot purchases.** Customers may also purchase BEKP on the spot market outside contractual arrangements. In this case, reference 'spot prices' (typically based on the prevailing market rate as set out in indices) may be used as a starting point for negotiation.<sup>23</sup> BEKP customers in Asia, particularly Chinese customers, typically purchase BEKP on a spot basis.<sup>24</sup>
43. Customers typically require that BEKP meets certain minimum quality standards.<sup>25</sup> Further, customers in Europe (including the UK) generally require that BEKP is certified by sustainable forestry associations. There are two globally-recognised certifications for pulp: (1) certification by the Programme for the Endorsement of Forest Certification (**PEFC**); and (2) certification by the Forest Stewardship Council (**FSC**).<sup>26</sup> Certification is discussed further in the market definition section below.

#### 5.1.2.2 *Tissue products*

44. There are two categories of end customers for tissue products:<sup>27</sup>

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<sup>18</sup> FMN, paragraph 11.60; note of call with a third party, February 2026, paragraph 29; [redacted] response to the CMA questionnaire from a third party, April 2026, question 8. [redacted]

<sup>19</sup> Note of call with a third party, February 2026, paragraph 33 [redacted]; note of call with a third party, February 2026, paragraph 29. [redacted]

<sup>20</sup> Note of call with a third party, February 2026, paragraphs 34 and 35 [redacted]; note of call with a third party, February 2026, paragraphs 22 and 23. [redacted]

<sup>21</sup> FMN, paragraphs 11.50-11.51; note of call with a third party, February 2026, paragraphs 22 and 23 [redacted]; note of call with a third party, February 2026, paragraph 30 [redacted]; note of call with a third party, February 2026, paragraphs 34 and 35. [redacted]

<sup>22</sup> Price indices are calculated by information service providers as a reference market price. Examples of price indices for pulp include Fastmarkets FOEX – PIX; Fastmarkets RISI; and TTO/BMA. See FMN, paragraph 11.50.

<sup>23</sup> FMN, paragraph 11.54.

<sup>24</sup> Parties' submission on ability to foreclose, March 2026, paragraph 7.12.

<sup>25</sup> FMN, paragraph 11.71(b).

<sup>26</sup> Note of call with a third party, February 2026, paragraph 18 [redacted]; note of a call with a third party, February 2026, paragraph 57. [redacted]

<sup>27</sup> FMN, paragraphs 11.98-11.99.

- (a) individual consumers who purchase tissue products from retailers such as supermarkets or pharmacies (**consumer tissue**); and
  - (b) professional customers such as hotels, restaurants, catering firms, and corporate customers (**away-from-home** or **AFH tissue**).
45. As regards consumer tissue, tissue suppliers may sell products using their own brand (**branded tissue**) and/or finished tissue products sold under the retailer's brand (**private label tissue**).<sup>28</sup> Private label tissue products are typically cheaper than branded tissue products and generate lower margins for tissue producers than branded tissue.<sup>29</sup>
46. The evidence the CMA has reviewed shows that customers of tissue products – particularly retailers – are price-sensitive and that price is therefore an important parameter of competition. Minimising costs (including for pulp supply) is therefore important for tissue suppliers to remain competitive.<sup>30</sup> For example, a tissue supplier told the CMA that the stability and pricing of its pulp supply is crucial to its financial performance because pulp represents around [redacted] of the cost of a finished tissue product.<sup>31</sup>

## 5.2 Market definition

47. Where the CMA makes an SLC finding, this must be 'within any market or markets in the United Kingdom for goods or services'. An SLC can affect the whole or part of a market or markets. Within that context, the assessment of the relevant market(s) is an analytical tool that forms part of the analysis of the competitive effects of the merger and should not be viewed as a separate exercise.<sup>32</sup>
48. Market definition involves identifying the most significant competitive alternatives available to customers of the merger parties and includes the sources of competition to the merger parties that are the immediate determinants of the effects of the merger.
49. While market definition can be an important part of the overall merger assessment process, the CMA's experience is that in most mergers, the evidence gathered as part of the competitive assessment, which will assess the potentially significant constraints on the merger parties' behaviour, captures the competitive dynamics more fully than formal market definition.<sup>33</sup>

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<sup>28</sup> FMN, paragraph 11.100.

<sup>29</sup> Note of call with a third party, February 2026, paragraph 13. [redacted]

<sup>30</sup> Note of call with a third party, February 2026, paragraph 8 [redacted]; note of call with a third party, February 2026, paragraph 17 [redacted]; note of call with a third party, February 2026, paragraph 27. [redacted]

<sup>31</sup> Note of call with a third party, February 2026, paragraph 50. [redacted]

<sup>32</sup> [CMA129](#), paragraph 9.1.

<sup>33</sup> [CMA129](#), paragraph 9.2.

## 5.2.1 Product markets

### 5.2.1.1 Upstream (pulp)

50. The Parties submitted that the precise market definition in relation to pulp can be left open because competition concerns do not arise on any plausible basis.<sup>34</sup> The Parties cited the EC's decision in *Suzano/Fibria*<sup>35</sup> in which the EC found that the relevant product market was the supply of BEKP. The Parties nevertheless submitted that there is at least some substitutability between BEKP and other materials such as softwood pulp and recycled fibre. The Parties also submitted that tissue producers often adjust the fibre mix to meet their product requirements or supply dynamics.<sup>36</sup>
51. The CMA considers that the relevant upstream product market is the supply of BEKP. This is for the following reasons:
- (a) First, there is limited substitutability between BEKP and other types of hardwood pulp. As noted above, BEKP accounts for the majority of hardwood pulp supplied globally. The main alternative – pulp made using acacia – is generally produced in Asia.<sup>37</sup> Tissue producer customers in Europe (including the UK) typically insist on sustainability certifications which Asian suppliers lack, meaning that acacia pulp is not a viable alternative for these customers.<sup>38</sup>
  - (b) Second, there is limited substitutability between BEKP and softwood pulp. As described above, hardwood and softwood pulps have different physical properties. Tissue suppliers can only adjust to a limited extent the proportion of hardwood and softwood pulp in the furnish mix because larger changes would affect product softness or strength and be detected by consumers.<sup>39</sup> In addition, tissue suppliers told the CMA that softwood pulp is more expensive, and the tissue industry is seeking to use more hardwood pulp to reduce costs.<sup>40</sup>
  - (c) Third, there is limited substitutability between BEKP and recycled fibre, particularly for consumer tissue products, due to consumer preferences. One tissue supplier told the CMA that demand for consumer tissue products made using recycled fibre is very low, as UK consumers prefer tissue made from

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<sup>34</sup> FMN, paragraph 12.6.

<sup>35</sup> [Suzano Papel e Celulose / Fibria Celulose](#) [Case M.8951] (*Suzano/Fibria*).

<sup>36</sup> FMN, paragraph 12.5.

<sup>37</sup> Note of call with a third party, February 2026, paragraph 19. [redacted]

<sup>38</sup> Note of call with a third party, February 2026, paragraphs 58 and 59 [redacted]; note of call with a third party, February 2026, paragraph 40 [redacted]; note of call with a third party, February 2026, paragraphs 19 and 45 [redacted].

<sup>39</sup> Note of call with a third party, February 2026, paragraph 48. [redacted]

<sup>40</sup> Note of call with a third party, February 2026, paragraph 32 [redacted]; note of call with a third party, February 2026, paragraph 17. [redacted]

virgin pulp.<sup>41</sup> Another tissue supplier stated that only small amounts of recycled fibre are used in consumer tissue products.<sup>42</sup>

52. The assessment above is supported by evidence from Suzano's internal documents, which distinguish between the supply of BEKP, other hardwood pulps, softwood pulp, and recycled fibre.<sup>43</sup>

#### 5.2.1.2 *Downstream (tissue)*

53. The Parties submitted that the precise product market definition for the downstream markets can be left open in this case given that BEKP is used in the production of all types of tissue product.<sup>44</sup> However, the Parties submitted that for the purpose of the CMA's assessment of vertical effects, the relevant market should be the production and supply of tissue products.<sup>45</sup>
54. The evidence reviewed by the CMA indicates that, from both a demand- and supply-side perspective, there is some sub-segmentation within the supply of tissue products. In particular:
- (a) Consumer tissue products are not substitutable for AFH tissue products. On the demand side, AFH tissue products are purchased by different customers (eg wholesalers, hotels, restaurants, and corporates) for different purposes to consumer tissue products.<sup>46</sup> As regards the supply side, AFH tissue products use different materials to consumer tissue products: AFH tissue products generally use more recycled fibre than consumer tissue products. Kimberly-Clark, for example, uses [90-100]% recycled fibre in most AFH tissue recipes, and the Parties submitted that BEKP is not an important input in AFH tissue products.<sup>47</sup> This was confirmed by a tissue supplier.<sup>48</sup> The CMA's investigation in this case concentrated on possible vertical effects resulting from Suzano's activities in the upstream supply of BEKP and the Target's activities in the downstream supply of tissue products. Given that BEKP is not an important input for AFH tissue products, and that AFH tissue products are not substitutable for consumer tissue products, AFH tissue products are not considered further in this Decision.
  - (b) Within consumer tissue products:

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<sup>41</sup> Note of call with a third party, February 2026, paragraph 20. [X]

<sup>42</sup> Note of call with a third party, February 2026, paragraph 21. [X]

<sup>43</sup> See eg Suzano's Internal Document, Attachment 019 to the FMN, slides 5, 7, and 11; Suzano's Internal Document, Attachment 048 to the FMN, slide 1; and Suzano's Internal Document, Attachment 099 to the FMN.

<sup>44</sup> FMN, paragraph 12.17.

<sup>45</sup> FMN, paragraph 12.1.

<sup>46</sup> Note of a call with a third party, February 2026. [X]

<sup>47</sup> FMN, paragraph 11.87.

<sup>48</sup> FMN, paragraph 11.85(c); and note of call with a third party, February 2026, paragraph 71. [X]

- (i) although branded tissue products are to an extent substitutable with private label products from the perspective of the end consumer,<sup>49</sup> branded tissue products are typically more expensive than private label tissue products, as noted above.<sup>50</sup> Further, retailers purchase both branded and private label products from tissue suppliers<sup>51</sup>, indicating a degree of complementarity at the wholesale level.
- (ii) There is limited substitutability between different types of tissue product depending on their end use. For example, facial tissues are used for different purposes to kitchen towels or toilet paper.<sup>52</sup>

55. Notwithstanding the potential sub-segmentation of consumer tissue products described above, the CMA has conducted its competitive assessment with reference to consumer tissue products in aggregate.<sup>53</sup> The CMA considers that Suzano would not be able to distinguish between different types of consumer tissue products in any foreclosure strategy relating to the supply of BEKP. This is because Suzano cannot control what the BEKP it supplies is ultimately used for after it has been purchased by customers<sup>54</sup> (and Suzano's tissue supplier customers in the UK are active across all these sub-segments).

56. In any event, the CMA considers that the precise product market definition can be left open given that the Merger does not give rise to competition concerns.

## 5.2.2 Geographic market(s)

### 5.2.2.1 BEKP

57. The Parties submitted that the relevant geographic market for BEKP is either global or at least regional (ie covering the UK and the European Economic Area (EEA)). The Parties noted the EC's decision in *Suzano/Fibría* in which the EC considered that the supply of BEKP was at least EEA-wide in scope, but possibly global (while ultimately leaving geographic market definition open). The Parties further submitted that there have been no market developments since then that would change this position. In support of this, the Parties submitted that Suzano has no local presence in the UK, BEKP production facilities have wide catchment areas, transport costs are low, there are no additional (regulatory or other) barriers

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<sup>49</sup> Note of call with a third party, February 2026, paragraphs 7 and 8. [§<]; Kimberly-Clark's internal documents also monitor private label and branded supply together (see for example Kimberly-Clark's Internal Document, Attachment 069 to the DMN, slides 7 – 12).

<sup>50</sup> Note of call with a third party, February 2026, paragraph 8. [§<]

<sup>51</sup> Note of call with a third party, February 2026, paragraphs 11-12. [§<]

<sup>52</sup> Kimberly-Clark's internal documents consider different types of tissue products separately when assessing competitors (see for example Kimberly-Clark's Internal Document, Attachment 055 to the DMN).

<sup>53</sup> The CMA's assessment excludes AFH tissues, which do not use BEKP as an input, as explained in paragraph 54(a).

<sup>54</sup> FMN, paragraph 18.20.

to supplying BEKP in the UK, and BEKP prices are broadly consistent worldwide.<sup>55</sup>

58. The CMA considers that the appropriate geographic market for the supply of BEKP is regional, including at least the EEA and UK. This is for the following reasons:
- (a) First, Suzano and other BEKP suppliers in South America supply customers across the world, including in Europe (including the UK), Asia, and North America.<sup>56</sup> A pulp supplier told the CMA that although the competitive landscape depends on the specific region, it competes with all major pulp producers and that competition is strong across the world.<sup>57</sup>
  - (b) Second, Suzano competes with a broadly similar set of competitors in the UK and the EEA,<sup>58</sup> which is consistent with the Parties' submission that the vast majority of BEKP sold in the EEA (approximately 70%) and the UK (approximately 85%) originates in South America (Brazil, Chile and Uruguay).<sup>59</sup> Customers who responded to the CMA's questionnaire identified the same or similar set of BEKP suppliers across the EEA and UK.<sup>60</sup> Similarly, pulp suppliers who responded to the CMA's questionnaire generally identified the same or similar competitors for the UK and the EEA.<sup>61</sup>
  - (c) Third, Suzano's internal documents do not generally distinguish between the UK and EEA when assessing Suzano's competitors.<sup>62</sup>
  - (d) Fourth, BEKP supply contracts typically operate on a Europe-wide basis (ie the terms do not distinguish between the UK and EEA).<sup>63</sup> For example, Suzano's existing contracts with tissue suppliers, including with its three main customers in the UK, are typically at least [redacted]-wide in scope and Suzano's customers purchase volumes of BEKP regionally [redacted].<sup>64</sup>
  - (e) Fifth, there do not appear to be material differences in the applicable regulatory regimes for the UK and EEA. At present, BEKP suppliers are subject to the same requirements under the UK Timber Regulation (**UKTR**) and the EU Timber Regulation (**EUTR**). Although the EU Deforestation Regulation (**EUDR**) is expected to replace the EUTR in December 2026, the

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<sup>55</sup> FMN, paragraphs 12.7 and 12.8.

<sup>56</sup> FMN, paragraph 12.8; note of call with a third party, March 2026, paragraph 31 [redacted]; note of a call with a third party, March 2026, paragraphs 30 and 35. [redacted]

<sup>57</sup> Note of call with a third party, March 2026, paragraph 31. [redacted]

<sup>58</sup> FMN, tables 13 and 14.

<sup>59</sup> FMN, footnote 190.

<sup>60</sup> Responses to the CMA questionnaire from a number of third parties, April 2026, question 8. [redacted]

<sup>61</sup> Responses to the CMA questionnaire from a number of third parties, April 2026, question 11 and 13. [redacted]

<sup>62</sup> For example, Suzano's Internal Documents, Attachment 019 to the FMN, and Attachments 051 – 096 to the FMN.

<sup>63</sup> Note of call with a third party, February 2026, paragraph 34 [redacted]; note of call with a third party, February 2026, paragraphs 28 and 38 [redacted]; note of call with a third party, February 2026, paragraph 24. [redacted]

<sup>64</sup> Parties' submission on ability to foreclose, March 2026, paragraph 4.6.

CMA has not seen evidence that this will materially impact BEKP trade flows across the EEA/UK.<sup>65</sup>

59. While, for the reasons above, the CMA considers that the UK should not be treated as a distinct market from the EEA, the CMA has seen some evidence that there are certain differences in supplying BEKP in the UK compared to supplying BEKP in the EEA (for example, in terms of the logistics involved).<sup>66</sup> In addition, there are significant differences in BEKP suppliers' shares of supply in the UK compared to the EEA/UK as a whole (for example, in 2024 Suzano had a share of supply of [70-80]% in the UK and of [30-40]% in UK and EEA combined).<sup>67</sup> This is considered further in the CMA's competitive assessment and, in particular, its assessment of the relative strength of Suzano and its rivals for supply into the UK.

#### 5.2.2.2 Consumer tissue products

60. The Parties referred to various EC precedents which considered that the geographic market for consumer tissue products is national in scope or encompasses several countries or 'country clusters' which present similar features (eg language, retail chains, consumer preferences, brands).<sup>68</sup>
61. The CMA has assessed the Merger in relation to the supply of consumer tissue products in the UK. This is for the following reasons:
- (a) First, the physical properties of consumer tissue products mean that it is not generally viable for tissue suppliers to transport these over long distances. One tissue supplier active across the EEA and the UK emphasised the importance of having local manufacturing facilities, due to relative transport costs. This tissue supplier said that to serve the UK, production must take place in the UK.<sup>69</sup> Consistent with this, the leading suppliers of consumer tissue products in the UK as listed in the FMN (namely the Target, Essity, Sofidel, and Duni AB) all have manufacturing facilities in the UK.<sup>70</sup>
  - (b) Second, tissue suppliers' market positions – particularly in relation to branded consumer tissue products – vary considerably across different countries. This

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<sup>65</sup> As explained in the section on product market definition, BEKP customers in the EEA and UK also generally stipulate that any BEKP supplied must have a certification that guarantees it is produced in a sustainable and environmentally-friendly manner. All South American pulp suppliers have this certification, but Asian pulp suppliers generally do not – therefore, while South American BEKP suppliers can supply both Europe and Asia, Asian pulp suppliers generally cannot supply Europe (FMN, paragraph 11.71 and Parties' submission to the CMA on ability to foreclose, March 2026, footnote 53; note of call with a third party, February 2026, paragraphs 58 and 59 [§<]; note of call with a third party, February 2026, paragraph 40 [§<]; note of call with a third party, February 2026, paragraph 19). [§<] In line with this, one tissue supplier told the CMA that UK retailers strongly prefer FSC-certified products and noted that it would most likely be unable to sell non-certified tissues in the UK (note of call with a third party, February 2026, paragraph 45) [§<].

<sup>66</sup> See further the competitive assessment section below.

<sup>67</sup> FMN, Table 14.

<sup>68</sup> For example, Case M.623 – *Kimberly-Clark/Scott*; Case M.2097 – *SCA/Metsä Tissue*; Case M.6455 *SCA/Georgia-Pacific Europe* (FMN paragraphs 12.15-12.16).

<sup>69</sup> Note of call with a third party, February 2026, paragraph 14. [§<]

<sup>70</sup> FMN, Table 17.

is partly a reflection of differing consumer brand preferences: Kimberly-Clark's Andrex brand, for example, was highlighted by several tissue suppliers as the leading brand in the UK<sup>71</sup> and Kimberly-Clark and other tissue suppliers noted that their market positions varied in different countries, including due to the popularity of their brands.<sup>72</sup> Tissue suppliers' customer sets also vary across countries, with one tissue supplier noting that discounters have a stronger position in Europe compared to the UK.<sup>73</sup>

- (c) Third, Kimberly-Clark's internal documents consistently distinguish the UK (and Ireland) from other countries, including when assessing the competition Kimberly-Clark faces from other tissue suppliers and in monitoring its financial performance.<sup>74</sup> Likewise, Suzano's internal documents regarding the tissue industry differentiate between the supply of tissue in the UK and in other countries.<sup>75</sup>

### 5.2.3 Conclusion

62. Although the precise market definition can be left open given the Merger does not give rise to competition concerns, the CMA has assessed the effect of the Merger in relation to the supply of:

- (a) BEKP in at least the EEA and UK; and
- (b) Consumer tissue products in the UK.

## 5.3 Theory of harm: input foreclosure in the supply of BEKP to rival consumer tissue producers in the UK

63. The CMA assesses the potential competitive effects of mergers by reference to theories of harm. Theories of harm provide a framework for assessing the effects of a merger and whether it could lead to an SLC relative to the counterfactual.<sup>76</sup>

64. The CMA identified a limited horizontal overlap between the Parties in relation to the supply of tissue parent reels but considers that there is no realistic prospect of

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<sup>71</sup> Note of call with a third party, February 2026, paragraphs 5 and 41 [redacted]; note of call with a third party, February 2026, paragraph 7. [redacted]

<sup>72</sup> FMN, paragraph 13.13; note of call with a third party, February 2026, paragraph 40 [redacted]; note of call with a third party, February 2026, paragraph 9. [redacted]

<sup>73</sup> Note of call with a third party, February 2026, paragraph 62. [redacted]

<sup>74</sup> See for example Kimberly Clark's Internal Document, Attachment 022 to the FMN, slide 25; Kimberly Clark's Internal Document, Attachment 069 to the FMN, slide 2; Kimberly Clark's Internal Document, Attachment 074 to the FMN; and Kimberly Clark's Internal Document, Attachment 076 to the FMN.

<sup>75</sup> See for example Suzano's Internal Document, Attachment 011 to the FMN and Attachment 019 to the FMN.

<sup>76</sup> [CMA129](#), paragraph 2.11.

competition concerns in relation to this area given the Parties' limited sales in the UK.<sup>77</sup>

65. As described at paragraph 38 above, there is a vertical relationship between the Parties as Suzano supplies BEKP which is an input in the production of consumer tissue products where the Target is active.
66. Where a merger involves one party that supplies an input to rivals of the other party, a potential concern is that the merged entity may restrict these rivals' access to this input or offer it on worse terms, directly harming the rivals' competitiveness and therefore competition in the downstream market.<sup>78</sup>
67. In this case, the CMA has assessed whether Suzano might engage in input foreclosure in relation to the supply of BEKP to rival consumer tissue producers<sup>79</sup> of the Target in the UK.<sup>80</sup>
68. In assessing this theory of harm, the CMA has considered Suzano's ability to foreclose the Target's rivals, its incentive to do so, and the effect of foreclosure on competition in the downstream market.<sup>81</sup>
69. The CMA has considered the possible mechanisms of foreclosure Suzano could use to harm competition in the supply of consumer tissue products in the UK. The CMA considered whether Suzano could look to harm rivals active in the supply of consumer tissue products in the UK by either: (a) worsening its BEKP offering at the regional EEA and UK level (ie the level at which contracts are currently

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<sup>77</sup> In particular, in 2025 the Parties combined sold [redacted] tonnes [redacted] of parent reels in the UK, which is minimal in the context that in 2024, according to Afry, the UK imported an estimated 399,000 tonnes of tissue parent reels (FMN, Table 11 and footnote 157). Both Suzano and the Target produce these parent reels [redacted] for use in-house in their own internal production processes and [redacted] sell them on the market on an [redacted] basis when they have [redacted] (FMN, paragraph 11.114). Furthermore, no third parties raised concerns with the Merger in this regard. This overlap is not discussed further in this Decision.

<sup>78</sup> [CMA129](#), paragraph 7.8(a).

<sup>79</sup> Consumer tissue producers in the UK refers to companies that produce consumer tissues in the UK. The CMA notes that consumer tissue producers in the UK may also have mills and operations in other geographies (such as other parts of Europe).

<sup>80</sup> The CMA also considered whether the vertical relationship between the Parties would give rise to customer foreclosure concerns. The CMA found that the Target has long sourced almost all its BEKP supply in the UK/EEA from Suzano resulting in no ability to foreclose (FMN, 18.39). Furthermore, no third parties raised concerns with the Merger in this regard. Customer foreclosure is therefore not discussed further in this Decision. The CMA notes that some third parties also raised concerns regarding sharing of their commercially sensitive information with the Target post-Merger (note of call with a third party, February 2026, paragraph 68 [redacted]; and note of call with a third party, February 2026, paragraph 70(b) [redacted]). The CMA considered whether access to commercially sensitive information could be a potential mechanism of foreclosure as opposed to a separate theory of harm. The evidence received by the CMA indicated that BEKP is a commodity product and that material differences in innovation and quality are limited (see paragraph 41 above) indicating that access to this information has limited potential to harm rival consumer tissue producers. Furthermore, access to commercially sensitive information would not be UK-specific as current commercial agreements between BEKP suppliers and consumer tissue producers typically operate on a Europe-wide basis (see paragraph 58(d) above). As per paragraph 70, the CMA does not consider that Suzano would have the incentive to foreclose on an EEA and UK basis. The CMA has therefore not considered access to commercially sensitive information further in this Decision.

<sup>81</sup> [CMA129](#), paragraph 7.10.

typically negotiated); or (b) worsening its BEKP offering at the UK level (ie introducing UK-specific terms).

70. Based on evidence including the Target's weaker position in the supply of consumer tissue products across the EEA and UK overall compared to the UK,<sup>82</sup> the CMA does not consider Suzano would have the incentive to engage in a regional foreclosure strategy and accordingly, has not considered this strategy further in this Decision. The CMA has therefore focused its assessment on the possibility of Suzano worsening terms at the UK level only.
71. The CMA considers there are a range of UK-focused mechanisms (eg increasing prices, reducing volumes, choice or quality of BEKP supplied to consumer tissue producers in the UK) through which Suzano could potentially harm rival consumer tissue producers in the UK.<sup>83</sup> The CMA's focus is on understanding if collectively these mechanisms would allow Suzano to foreclose the Target's rivals, not on predicting the precise actions it would take.<sup>84</sup>
72. The Parties submitted that it would not be possible for Suzano to target consumer tissue producers in the UK only given Suzano's customers in the UK procure BEKP on at least a UK/EEA basis (under broader regional or global contracts).<sup>85</sup> The Parties further submitted that Suzano would not in practice be able to separate and deteriorate the terms of supply for UK mills given that customer demands could readily be met by other suppliers (citing a failed attempt in the past to agree UK-specific [§<] with a customer). The Parties added that the volumes of BEKP that these customers purchase from Suzano in other jurisdictions would make a strategy based on severing and deteriorating supply to UK mills commercially illogical, as it would put at risk a significant volume of Suzano's sales to these customers outside the UK.<sup>86</sup>
73. The CMA recognises that BEKP supply contracts currently typically cover a wider geographic region than the UK and generally provide a single price for BEKP irrespective of the location of the mill to which the BEKP is delivered.<sup>87</sup> The CMA has considered the feasibility of imposing UK-specific terms post-Merger, and

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<sup>82</sup> Kimberly-Clark's share of supply for consumer tissue products in the EEA+UK between 2022 and 2024 by value was approximately [10-20]% each year and several alternative consumer tissue producers were also identified as active suppliers including private label which held a share of supply of over [50-60]% (FMN, Table 16).

<sup>83</sup> The CMA notes that a proportion of consumer tissue products consumed in the UK involve imports of either parent reels or finished tissue products from outside the UK (FMN, paragraph 18.27). The CMA considers that this part of the market could not be foreclosed under a UK-focused mechanism and therefore the focus of the CMA's assessment is on the impact that the joint venture could have on consumer tissue producers in the UK that rely on BEKP supplies to the UK. The CMA recognises that the presence of rivals that supply the UK downstream market using imported parent reels or finished products would be relevant in assessing the overall effect of a foreclosure strategy on the downstream market. Given, for the reasons set out below, the CMA does not consider that Suzano would have the ability or incentive to foreclose rivals, this is not considered further in this Decision.

<sup>84</sup> [CMA129](#), paragraph 7.13.

<sup>85</sup> FMN, 18.31(a).

<sup>86</sup> Parties' response to the Issues Letter, May 2026, paragraph R32.

<sup>87</sup> Note of call with a third party, February 2026, paragraph 34 [§<]; note of call with a third party, February 2026, paragraphs 28 and 38 [§<]; note of call with a third party, February 2026, paragraph 24 [§<]; Parties' submission on ability to foreclose, March 2026, paragraph 4.6.

Suzano's incentives to do so, in its assessment of Suzano's ability and incentive to pursue a foreclosure strategy below.<sup>88</sup>

74. The following sections set out the CMA's assessment of whether Suzano would have: (i) the ability to foreclose rival consumer tissue producers in the UK; (ii) the incentive to do so (ie whether it would be profitable); and (iii) whether this would substantially lessen overall competition in the consumer tissue market in the UK.

### 5.3.1 Ability to foreclose

75. To assess whether Suzano would have the ability to foreclose the Target's rivals in the UK, the CMA has considered the following factors:

- (a) the importance of BEKP as an input in consumer tissue products; and
- (b) whether Suzano has market power in the supply of BEKP in the EEA and the UK.

#### 5.3.1.1 Importance of BEKP as an input into consumer tissue products

76. As noted in the CMA's guidance, the merged entity could only harm the competitiveness of its rivals if the input it supplies plays an important role in shaping downstream competition.<sup>89</sup>
77. In response to the CMA's Issues Letter, the Parties submitted that the significance of BEKP input costs is materially overstated and referenced internal documents which they submitted show that in Kimberly-Clark's experience, raw material costs attributable to BEKP accounted for less than [20-30]% of the total costs of tissue.<sup>90</sup>
78. However, consumer tissue producers told the CMA that BEKP is a key input in tissue production, with one producer describing it as its most important raw material for tissue production<sup>91</sup> another as a very important fibre,<sup>92</sup> and another as highly important.<sup>93</sup> Consumer tissue producers submitted that although proportions vary by product, a typical tissue recipe would include approximately 60-70% BEKP,<sup>94</sup> and in toilet paper this can exceed 70%.<sup>95</sup> In addition, consumer tissue producers submitted that pulp accounts for a significant proportion of input

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<sup>88</sup> In line with CMA guidance, in this Decision the CMA has not placed material weight on existing contractual protections given, in particular, that contracts are typically renegotiated annually. [CMA129](#), paragraph 7.15.

<sup>89</sup> [CMA129](#), paragraph 7.14(b).

<sup>90</sup> Parties' response to the Issues Letter, May 2026, paragraph R31.

<sup>91</sup> Note of call with a third party, February 2026, paragraph 17. [X]

<sup>92</sup> Note of call with a third party, February 2026, paragraph 16. [X]

<sup>93</sup> Note of call with a third party, February 2026, paragraph 19. [X]

<sup>94</sup> Note of call with a third party, February 2026, paragraph 18. [X]

<sup>95</sup> Note of call with a third party, February 2026, paragraph 16. [X]

costs<sup>96</sup> with one noting that any significant increase in pulp prices would force it to seek price increases quickly.<sup>97</sup>

79. Overall, the CMA considers that BEKP is an important input in consumer tissue products.

#### 5.3.1.2 *Suzano's market power*

80. As noted in the CMA's guidance, if downstream rivals can easily switch away from the upstream party to a range of effective alternative suppliers, then they will be less likely to suffer harm than if the merged entity occupies an important position upstream. The CMA may also investigate whether there are features that may limit the constraint from upstream rivals, such as economies of scale, switching costs, direct or indirect network effects, brand and reputation, high fixed costs, control of intellectual property, access to data or integration into wider ecosystems.<sup>98</sup>
81. The CMA has considered whether Suzano has market power in the relevant market upstream which is, as set out above, the supply of BEKP in at least the EEA and UK. The CMA has also considered whether there are other features that may limit the constraint from Suzano's rivals.

##### 5.3.1.2.1 *Parties' submissions*

82. The Parties submitted that Suzano does not have market power upstream in the relevant (UK/EEA) market,<sup>99</sup> stating that it faces competition from a number of large and established suppliers already qualified to service its customers in the UK.<sup>100</sup>
83. The Parties added that alternative suppliers have sufficient capacity to absorb Suzano's UK demand<sup>101</sup> and capacity is expected to increase.<sup>102</sup> The Parties also submitted that there is available 'swing' capacity currently used to make spot market sales in Asia, which BEKP suppliers would have the incentive to reallocate to Europe in the event of additional demand.<sup>103</sup> The Parties further submitted that switching BEKP supplier is relatively straightforward for customers,<sup>104</sup> noting that

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<sup>96</sup> Note of call with a third party, February 2026, paragraph 53 [3<]; and note of call with a third party, February 2026, paragraph 10. [3<]

<sup>97</sup> Note of call with a third party, February 2026, paragraph 53. [3<]

<sup>98</sup> [CMA129](#), paragraph 7.14(a).

<sup>99</sup> FMN, paragraph 18.3(a).

<sup>100</sup> Parties' submission to the CMA on ability to foreclose, March 2026, paragraphs 3.2 and 3.3.

<sup>101</sup> FMN, paragraph 18.25.

<sup>102</sup> FMN, paragraph 20.1.

<sup>103</sup> Parties' submission to the CMA on ability to foreclose, March 2026, paragraphs 7.3 and 7.14.

<sup>104</sup> FMN, paragraph 18.25(g).

all Suzano's UK customers (with the exception of [redacted]) already source from multiple BEKP suppliers.<sup>105</sup>

84. In relation to Suzano's competitive position in the UK specifically, the Parties submitted that Suzano's ability to ship directly to the UK<sup>106</sup> and any economies of scale from its existing position do not provide a material competitive advantage or limit the constraint that Suzano faces from other suppliers for UK customers.<sup>107</sup>

#### 5.3.1.2.2 CMA assessment

85. To assess whether Suzano has market power in the supply of BEKP in the EEA and UK, the CMA has considered:
- (a) Suzano's competitive strength and the relative competitive strength of alternative suppliers;
  - (b) the ability of consumer tissue producers to switch BEKP suppliers; and
  - (c) the available BEKP capacity in the market.

#### 5.3.1.2.2.1 Suzano's competitive strength and the relative competitive strength of alternative suppliers

86. Evidence from internal documents,<sup>108</sup> third parties,<sup>109</sup> and shares of supply show that Suzano is the market leader in the supply of BEKP in the EEA and UK. For example, share of supply estimates provided by the Parties indicate that Suzano had an UK/EEA share of [30-40]% in 2024 (by volume), with the next largest suppliers having shares of approximately just [10-20]% (CMPC and Arauco).<sup>110</sup>
87. However, evidence showed that there is a range of credible alternative BEKP suppliers that have strong positions in the supply of BEKP in the EEA and UK.

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<sup>105</sup> Parties' submission to the CMA on ability to foreclose, March 2026, paragraph 5.4. Suzano's UK consumer tissue customers refers to consumer tissue producers in the UK which procure BEKP from Suzano as an input into their consumer tissues in the UK.

<sup>106</sup> Parties' submission to the CMA on ability to foreclose, March 2026, paragraph 3.6(b).

<sup>107</sup> Parties' submission to the CMA on ability to foreclose, March 2026, paragraph 3.6(c).

<sup>108</sup> Internal documents from Kimberly-Clark estimated that Suzano was the largest pulp supplier with a [20-30]% market share (Kimberly-Clark's Internal Document, Attachment 085 to the response to the CMA's section 109 Notice dated 05 February 2026 (**S109(1)**), October 2024, slide 1) and that '[redacted]' globally (Kimberly-Clark's Internal Document, Attachment 108 to the S109(1) response, February 2024, slide 17). A Suzano internal document showed that between January 2024 and September 2025, Suzano was the largest supplier and held a volume share of approximately 40-60% of Brazilian exports of hardwood (ie excluding non-Brazilian suppliers) (Suzano's Internal Document, Attachment 094 to the FMN, slide 4).

<sup>109</sup> Third parties described Suzano as the largest BEKP supplier globally. Note of call with a third party, February 2026, paragraph 10 [redacted]; Note of call with a third party, February 2026, paragraph 22 [redacted]; Note of call with a third party, March 2026, paragraph 33 [redacted]; and Note of call with a third party, March 2026, paragraph 29. [redacted] Furthermore, a consumer tissue producer [redacted] submitted that Suzano is approximately four times larger than the next largest BEKP supplier (note of call with a third party, February 2026, paragraph 45). [redacted]

<sup>110</sup> FMN, Table 13. As discussed at paragraph 18, Suzano had a larger share of supply of [70-80]% by volume in the UK in 2024, however, the CMA considers that this is due to concentration in the UK consumer tissue market.

- (a) The most commonly identified alternative BEKP suppliers by consumer tissue producers for the supply of BEKP in the EEA and UK were CMPC [REDACTED], Ence [REDACTED], UPM [REDACTED], Arauco [REDACTED], Stora Enso [REDACTED] and Klabin [REDACTED].<sup>111</sup> These suppliers were frequently considered by consumer tissue producers to have strong or very strong offerings.<sup>112</sup> [REDACTED] Consumer tissue producers described these suppliers as ‘top player[s]’, offering ‘good service’, and referenced long term supply relationships.<sup>113</sup>
- (b) Suzano’s internal market intelligence documents (which analyse the market on a global basis) identify BEKP suppliers such as Cenibra, CMPC, Eldorado, Klabin, Stora Enso, and Bracell as its competitors.<sup>114</sup> Kimberly-Clark’s internal documents evaluating potential global pulp suppliers identify BEKP suppliers such as UPM, Klabin, RGE, Bracell, Paper Excellence, Eldorado, APP, CMPC, and Arauco.<sup>115</sup> Although they relate to supplying Kimberly-Clark in North America, these documents suggest that Kimberly-Clark considers these BEKP suppliers to be adequate alternatives to Suzano across a range of metrics (several of which are not region-specific). For example, one internal document notes that ‘[REDACTED]’; that ‘[REDACTED]’; and that ‘[REDACTED]’.<sup>116</sup>
- (c) The shares of supply estimates provided by the Parties showed that there is a range of suppliers with material shares that collectively accounted for approximately 50% of supply in the EEA and UK by volume in 2024.<sup>117</sup>
- (d) Consumer tissue producers multi-source and procure BEKP from a range of suppliers. For example, in 2025, [REDACTED] sourced BEKP in the EEA and UK from between four and seven BEKP suppliers.<sup>118</sup>

88. The CMA therefore considers that there is a range of suppliers that pose a competitive constraint on Suzano. Nevertheless, the CMA has considered the extent to which Suzano’s market-leading position is derived from competitive advantages, in particular related to scale, which rival BEKP suppliers would find difficult to replicate. This included considering the extent to which Suzano holds any competitive advantage when supplying consumer tissue producers in the UK (given that, as noted above, it accounts for [70-80]% of supply into the UK).<sup>119</sup>

<sup>111</sup> Response to the CMA questionnaire from a number of third parties, April 2026, question 8. [REDACTED] [REDACTED, REDACTED, REDACTED, REDACTED, REDACTED] [REDACTED, REDACTED, REDACTED, REDACTED, REDACTED] [REDACTED, REDACTED, REDACTED, REDACTED, REDACTED] [REDACTED, REDACTED, REDACTED, REDACTED, REDACTED] [REDACTED, REDACTED, REDACTED, REDACTED, REDACTED]. Other suppliers identified included Altri, Bracell, Cenibra, El Dorado and Mondi. Response to the CMA questionnaire from a number of third parties, April 2026, question 8. [REDACTED, REDACTED, REDACTED, REDACTED, REDACTED]

<sup>112</sup> Response to the CMA questionnaire from a number of third parties, April 2026, question 8. [REDACTED, REDACTED, REDACTED, REDACTED, REDACTED] [REDACTED, REDACTED, REDACTED, REDACTED, REDACTED] [REDACTED, REDACTED, REDACTED, REDACTED, REDACTED]

<sup>113</sup> Response to the CMA questionnaire from a number of third parties, April 2026, question 8. [REDACTED] [REDACTED] [REDACTED]

<sup>114</sup> See Suzano’s Internal Document, Attachment 051 to the FMN.

<sup>115</sup> Kimberly Clark’s Internal Document, Attachment 085 to the S109(1) response.

<sup>116</sup> Kimberly-Clark’s Internal Document, Attachment 086 to the FMN, slides 9-12.

<sup>117</sup> FMN, Table 13. Two suppliers had estimated shares of supply of around [10-20]% and six had estimated shares of around [5-10]%.

<sup>118</sup> Response to the CMA questionnaire from a number of third parties, April 2026, question 5. [REDACTED, REDACTED, REDACTED, REDACTED]

<sup>119</sup> FMN, Table 14.

89. The evidence indicates that any competitive advantages Suzano may have, including those related to its scale, are not significant and do not limit the constraint from rival BEKP suppliers:

- (a) **Commercial conditions.** Some third parties submitted that Suzano's scale may allow it to offer larger volume rebates and discounts compared to rivals.<sup>120</sup> However, the evidence reviewed by the CMA did not show that Suzano offers consistently better commercial conditions than its rivals. The CMA's analysis of the discounts received as a proportion of the gross price per tonne of BEKP and net prices across consumer tissue producers' BEKP suppliers showed that Suzano did not consistently offer the largest gross price discount<sup>121</sup> or the lowest net price.<sup>122</sup> Furthermore, evidence from Suzano on customers threatening to switch often referred to rivals offering [redacted].<sup>123</sup>
- (b) **Logistics.** While the evidence generally showed that Suzano has a strong logistics offering,<sup>124</sup> it did not suggest that this made other suppliers uncompetitive, or that any such advantage was linked to scale. In particular, Suzano's methods for transporting BEKP from South America to the UK, and the costs of doing so, are broadly similar to its rivals.<sup>125</sup> In any case, to the extent that alternative suppliers face somewhat higher costs of transporting BEKP to the UK, this is unlikely to materially impact their ability to compete, given that any potential differences in transport costs account for a small proportion of the 'net price' for BEKP overall. Consistent with this, small

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<sup>120</sup> Note of call with a third party, February 2026, paragraph 38 [redacted]; and note of call with a third party, February 2026, paragraph 12. [redacted]

<sup>121</sup> The CMA received data from consumer tissue producers on the discount they receive as a proportion of the gross price per tonne of BEKP from their suppliers. For two consumer tissue producers [redacted and redacted], Suzano offered the [redacted] discount and for another consumer tissue producer [redacted], Suzano offered the [redacted] discount compared to the consumer tissue producers' alternative suppliers (response from a number of third parties to the follow-up question to question 5 of the April 2026 CMA questionnaire, May 2026 [redacted, redacted, redacted]).

Furthermore, the CMA notes that the analysis showed that there were not major variations in the level of discount offered between suppliers which was supported by the view from a BEKP supplier [redacted] who submitted that discounts and rebates did not vary materially between BEKP suppliers (note of call with a third party, March 2026, paragraph 42 [redacted]).

<sup>122</sup> The CMA received data from consumer tissue producers on the net price (ie the price after discounts and rebates) per tonne of BEKP from their suppliers. Suzano offered the [redacted] net price for one consumer tissue producer [redacted] but for other consumer tissue producers [redacted and redacted], Suzano's net price was higher compared to some of the consumer tissue producers' alternative suppliers (response from a number of third parties to the follow-up question to question 5 of the April 2026 CMA questionnaire, May 2026 [redacted, redacted, redacted]).

<sup>123</sup> Parties' response to the Issues Letter, May 2026, Table 2.

<sup>124</sup> A BEKP supplier [redacted] submitted that Suzano had a good system of logistics (note of call with a third party, February 2026, paragraph 25 [redacted]). Evidence from Kimberly-Clark's internal documents also referred to Suzano's logistic advantages (see for example Kimberly Clark's Internal Document, Attachment 085 to S109(1), slides 1 and 2; and Kimberly Clark's Internal Document, Attachment 093 to the S109(1) response, slide 2.

<sup>125</sup> The Parties submitted that Suzano ships BEKP to the UK using a mixture of direct break-bulk shipping and transshipment through [redacted] (Parties' response to the Issues Letter, Annex 02, May 2026, paragraph 2.1(a)). The CMA asked BEKP suppliers to estimate the cost to transport BEKP directly from their plants to the UK and the cost to transport BEKP from their plants to the UK via transshipment in continental Europe. BEKP suppliers estimated that the cost of direct shipping to the UK was between [redacted] per tonne whereas the cost of transshipment was between [redacted] per tonne (response to the CMA questionnaire from a number of third parties, April 2026, question 10 [redacted, redacted, redacted, redacted]). In comparison, Suzano estimated the total cost of direct shipping to [redacted] at [redacted] per tonne and the cost of transshipment via [redacted] at [redacted] per tonne (Parties' response to the Issues Letter, Annex 02, May 2026, Table 3).

volumes of BEKP are currently shipped by Suzano's rivals to consumer tissue producers in the UK.<sup>126</sup>

- (c) **Quality and innovation.** Some evidence reviewed by the CMA suggested that Suzano may offer higher quality BEKP compared to its rivals<sup>127</sup> and that one of Suzano's strengths is that it works with consumer tissue producers on innovation initiatives.<sup>128</sup> However, as noted above, the evidence overall indicates that BEKP is a commodity product with limited variation and accordingly, the CMA considers that differences in quality or innovation would not lead to Suzano having a material competitive advantage.

90. Furthermore, the CMA notes that to the extent Suzano's scale provides a competitive advantage, some alternative suppliers are planning substantial capacity expansions. For example, an additional capacity of 3.5 million tonnes of BEKP by Arauco is scheduled to begin operations in Q4 2027 which would increase its BEKP capacity from just under [0-5] million tonnes to almost [5-10] million tonnes.<sup>129</sup> CMPC has also announced plans to establish a new mill which will add an additional 2.5 million tonnes of annual BEKP capacity which is expected to begin operations in the second quarter of 2029.<sup>130</sup> This will increase CMPC's total capacity from [0-5] million tonnes to over [5-10] million tonnes.<sup>131</sup> The CMA considers that these planned capacity expansions will significantly increase these competitors' relative scale albeit they would still be substantially below Suzano's 2025 capacity of 14.5 million tonnes.<sup>132</sup>

#### 5.3.1.2.2.2 *Switching*

91. In assessing whether Suzano would have the ability to foreclose rivals, the CMA has considered if downstream rivals can easily switch away from Suzano to alternative suppliers.<sup>133</sup>
92. The CMA found that there are limited barriers to switching BEKP suppliers. The evidence showed that the qualification process<sup>134</sup> is the only technical barrier to

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<sup>126</sup> For example, one consumer tissue producer in the UK [redacted] procured between [redacted] tonnes of BEKP from [redacted] [redacted], [redacted] different suppliers in the UK in 2025 (response to the CMA questionnaire from a third party, April 2026, question 5 [redacted]). Another consumer tissue producer in the UK [redacted] procured [redacted] tonnes of BEKP from [redacted] in the UK in 2025 (response to the CMA questionnaire from a third party, April 2026, question 5 [redacted]).

<sup>127</sup> Note of call with a third party, February 2026, paragraph 22 [redacted]; and Kimberly Clark's Internal Document, Attachment 086 to the S109(1) response, slide 9.

<sup>128</sup> Note of call with a third party, February 2026, paragraphs 32 and 70(b) [redacted]; and note of call with a third party, February 2026, paragraph 28; [redacted] and note of call with a third party, February 2026, paragraph 69. [redacted]

<sup>129</sup> [Arauco: Sucuriú Greenfield Project in Brazil | IDB Invest](#), accessed by the CMA on 26 May 2026.

<sup>130</sup> ['CMPC moves forward with \\$4.6bn pulp mill project in Brazil'](#), accessed by the CMA on 26 May 2026.

<sup>131</sup> Response to the CMA questionnaire from a third party, April 2026, question 2. [redacted]

<sup>132</sup> Parties' response to the CMA's Request for Information, January 2026 (**RFI (1)**), Table 5.

<sup>133</sup> [CMA129](#), paragraph 7.14(a).

<sup>134</sup> Prior to using a supplier's BEKP as an input into their consumer tissue products, consumer tissue producers undertake a qualification process. The Parties submitted that qualification typically involved product safety clearance and production trials (Parties' response to the Issues Letter, May 2026, paragraph R18).

switching BEKP supplier.<sup>135</sup> However, the CMA does not consider that this would be a material barrier to switching BEKP suppliers in the event of a foreclosure strategy by Suzano. This is because:

- (a) Consumer tissue producers typically procure BEKP from a range of pre-qualified suppliers.<sup>136</sup> Evidence shows that switching to qualified suppliers can be achieved in a short timeframe.
  - (i) The Target estimated that it would take one week to switch volumes to an already pre-approved supplier with qualified pulp.<sup>137</sup>
  - (ii) A consumer tissue producer [X] submitted that switching to a qualified supplier would only take a matter of weeks mainly attributable to shipping times.<sup>138</sup>
- (b) While the process to switch to a non-qualified supplier could take months,<sup>139</sup> in practice, this lead time can be mitigated by commencing the qualification process in advance of concluding a new supply contract. This is possible because negotiations of BEKP supply contracts typically start several months in advance.<sup>140</sup>

93. Despite this, evidence suggests that it is relatively uncommon for customers to switch large volumes of BEKP from one supplier to another.<sup>141</sup> This is consistent with evidence suggesting that both consumer tissue producers and BEKP suppliers seek to establish and maintain long term relationships (rather than it not being possible to switch large volumes).<sup>142</sup> Although uncommon, switching of material volumes does occur. For example, in the EEA and UK in 2019, Kimberly-

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<sup>135</sup> A consumer tissue producer [X] submitted that the costs and timeframes involved in switching pulp supplier depends on whether the supplier's pulp product is already qualified. This producer added that qualification involves production trials and testing whether pulp leads to deviations from customers' product specifications during production (note of call with a third party, February 2026, paragraph 27). [X] Another producer [X] submitted that switching suppliers requires comprehensive trials (note of call with a third party, February 2026, paragraph 31). [X]

<sup>136</sup> See paragraph 87(d) above. Furthermore, consumer tissue producers also multi-source their UK demand, meaning they have pre-qualified suppliers able to supply them for the production of consumer tissue products in the UK. In particular, three consumer tissue producers submitted that they procured BEKP from between two and five BEKP suppliers who supplied them with BEKP for consumer tissue products in the UK in 2025 (response to the CMA questionnaire from a number of third parties, April 2026, question 5). [X, X, X].

<sup>137</sup> FMN, 18.25(g)(i).

<sup>138</sup> Note of call with a third party, February 2026, paragraph 27. [X]

<sup>139</sup> Note of call with a third party, February 2026, paragraph 27. [X] The Parties estimated that qualification can be completed within approximately three to six months (Parties' response to the Issues Letter, May 2026, paragraph R18).

<sup>140</sup> The Parties submitted that customers typically start to engage with BEKP suppliers around six months ahead of the expiry of existing arrangements (Parties' response to the Issues Letter, May 2026, paragraph R37).

<sup>141</sup> Several [X] consumer tissue producers indicated that there were no material changes in the identity or volume of BEKP procured from their suppliers, or they indicated that their supplier portfolio was largely stable over the last three years (response to the CMA questionnaire from a number of third parties, April 2026, question 6 [X, X, X, X]).

<sup>142</sup> BEKP suppliers submitted that they believed consistency in customer relationships is key to long-term profitability and success [X] (note of call with a third party, March 2026, paragraph 40 [X]) and maintaining long-term relationships with customers is important [X] (note of call with a third party, March 2026, paragraph 59 [X]). This view was reflected by consumer tissue producers maintaining long-term relationships, in particular, one producer [X] submitted that in practice, it maintained long-term relationships with annual suppliers (note of call with a third party, February 2026, paragraphs 33 and 34 [X]). Another consumer tissue producer [X] submitted it had never made significant cuts to long-standing suppliers (note of call with a third party, February 2026, paragraph 44 [X]).

Clark successfully switched over [redacted] tonnes of BEKP from Suzano to [redacted] and [redacted]. In 2021, Kimberly-Clark then switched almost [redacted] tonnes from [redacted] back to Suzano.<sup>143</sup>

94. Overall, the CMA considers that there are no material barriers to switching. However, consumer tissue producers' ability to switch in practice also depends on alternative suppliers having sufficient available capacity to meet that demand. This is considered in the next section.

#### 5.3.1.2.2.3 Available capacity

95. The CMA considered evidence on the extent to which there is sufficient available capacity for consumer tissue producers to switch to alternative BEKP suppliers in response to a UK-focused foreclosure strategy.
96. The CMA notes that the volume of BEKP procured from Suzano by Suzano's UK consumer tissue customers is small relative to global demand: approximately [redacted] tonnes (which is less than [0-5]% of global supply, excluding Suzano).<sup>144</sup>
97. The evidence gathered by the CMA shows that there would be sufficient available capacity (including capacity currently sold on the spot market) to enable consumer tissue suppliers to switch the BEKP volumes currently procured from Suzano in the UK to rival suppliers:
- (a) Several third parties told the CMA that there is capacity which is not committed under fixed term contracts, with two BEKP suppliers [redacted] estimating that there is 20-30% non-committed market-wide capacity.<sup>145</sup> Another BEKP supplier [redacted] submitted that it would expect BEKP suppliers to commit 90-95% of their capacity in annual (or longer) contracts and therefore during the year they would have 5-10% availability.<sup>146</sup> This BEKP supplier [redacted] submitted that it had committed [90-100]% of its global volume under annual contracts implying that this supplier currently has [100,000-200,000] tonnes of non-committed capacity.<sup>147</sup>
  - (b) Evidence shows that the market is currently and expected to continue to be in oversupply. Data from an industry report by the Pulp and Paper Products Council (**PPPC**) shows that until at least 2029, excess capacity of BEKP is

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<sup>143</sup> Kimberly-Clark's response to the CMA's section 109 Notice, February 2026 (**S109(2)**), Table 2.

<sup>144</sup> [redacted]. The Parties submitted that in 2025, Suzano's UK consumer tissue customers (excluding the Target) procured a combined [redacted] tonnes of BEKP which was supplied in the UK only (Parties' response to the CMA's Request for Information, April 2026 (**RFI(4)**), Table 2). The Parties submitted that global capacity in 2024 was [redacted] tonnes (FMN, Table 7) and Suzano's production capacity was [redacted] (Parties' response to the CMA's RFI(1), Table 5).

<sup>145</sup> Response to the CMA questionnaire from a number of third parties, April 2026, question 3. [redacted], [redacted]

<sup>146</sup> Response to the CMA questionnaire from a third party, April 2026, question 3. [redacted]

<sup>147</sup> Response from a third party to the follow-up question to questions 2 and 3 of the April 2026 CMA questionnaire, April 2026. [redacted] [redacted]

forecasted to grow faster than demand.<sup>148</sup> This was supported by views of third parties that submitted that the BEKP market is in oversupply.<sup>149</sup> Furthermore, the CMA found evidence of material planned BEKP capacity expansion within the next few years which would increase the available BEKP supply to tissue customers looking to switch (see paragraph 90 above).

- (c) Data from PPC shows that BEKP exports to China amounted to 13,500 tonnes in 2024.<sup>150</sup> As explained above (see paragraph 42(b)), customers in Asia are more likely to purchase BEKP on a spot basis than under long term contracts with committed volumes. Only around [0-5]% of exports to China would need to be redirected to the UK to replace all Suzano's BEKP sales to the Target's downstream rivals in the UK.<sup>151</sup>
- (d) Contracts are typically negotiated based on approximate volumes of BEKP and on occasion customers do not procure all agreed volumes which could result in additional spare capacity.<sup>152</sup> Furthermore, the CMA found that supply contracts are typically negotiated annually and therefore the CMA considers that there is likely to be even greater available capacity as and when such contracts come up for renewal.<sup>153</sup>

98. The CMA considers BEKP suppliers would have incentives to reallocate uncommitted capacity to supply Suzano's UK consumer tissue customers with BEKP in the UK. These customers are large global tissue producers and it is likely to be attractive for BEKP suppliers to supply them with even relatively small volumes of BEKP in the UK given the potential of establishing wider and longer-term commercial relationships with these customers.<sup>154</sup>

99. The CMA's assessment of available capacity above is consistent with submissions from Suzano's UK consumer tissue customers as all but one [redacted] submitted they would switch away from Suzano in response to any foreclosure strategy by

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<sup>148</sup> Parties' response to the Issues Letter, May 2026, paragraph R25 and Figure 2.

<sup>149</sup> Third parties submitted that capacity expansion had resulted in oversupply of hardwood pulp, principally BEKP (note of call with a third party, March 2026, paragraph 15 [redacted]) and that there is a time of overcapacity today (note of call with a third party, February 2026, paragraph 39 [redacted]).

<sup>150</sup> Parties' submission to the CMA on ability to foreclose, March 2026, paragraph 7.18.

<sup>151</sup> Parties' submission to the CMA on ability to foreclose, March 2026, paragraph 7.19.

<sup>152</sup> A BEKP supplier [redacted] submitted that at the beginning of the year, [redacted] annual production volume is placed under contract, however, when a customer fails to buy its contracted volume, availability is created to sell on the spot market (Response from a third party to the follow-up question to questions 2 and 3 of the April 2026 CMA questionnaire, April 2026. [redacted]). Another BEKP supplier [redacted] submitted that non-binding frame contracts with approximate volume estimates are used frequently (Response from a third party to the follow-up question to questions 2 and 3 of the April 2026 CMA questionnaire, April 2026. [redacted]).

<sup>153</sup> See paragraph 42(a).

<sup>154</sup> In addition, evidence from the Parties suggests that BEKP suppliers can earn higher margins supplying tissue customers in the EEA and the UK market compared to selling BEKP in other regions [redacted] (Parties' submission to the CMA on ability to foreclose, paragraphs 7.14 and 7.15).

Suzano in the UK.<sup>155</sup> One of these customers, a large consumer tissue producer [X] submitted that switching [X].<sup>156</sup> Furthermore, this consumer tissue producer [X] noted that if Suzano were to hypothetically penalise its UK operations, Suzano would also risk losing its custom not only in the UK but in the rest of Europe and the United States as well.<sup>157</sup>

100. Overall, the CMA considers that there is likely to be sufficient available capacity for Suzano's UK consumer tissue customers to switch BEKP suppliers for their UK volumes supplied by Suzano in response to any foreclosure strategy.

### 5.3.1.3 Conclusion on ability

101. BEKP is an important input for consumer tissue products and Suzano holds a strong position in the supply of BEKP in the EEA and UK. But while Suzano is the largest supplier, the evidence shows there is a range of strong alternative suppliers that pose a material constraint on Suzano. In particular, consumer tissue producers identified CMPC, UPM, Arauco, Stora Enso and Klabin as having strong or very strong offerings.<sup>158</sup>
102. Further, consumer tissue producers would face limited barriers to switching to alternative suppliers in response to a UK-focused foreclosure strategy and all but one [X] of Suzano's UK consumer tissue customers told the CMA they would switch in response to such a strategy.<sup>159</sup> There is sufficient available capacity to enable such switching, particularly considering the relatively small volumes of BEKP in question. The CMA therefore considers that Suzano would not therefore have the ability to foreclose rival consumer tissue producers in the UK.

### 5.3.2 Incentive to foreclose

103. As noted above, the CMA considers that Suzano would not have the ability to engage in input foreclosure of consumer tissue producers in the UK. For completeness, the CMA considers that Suzano would not have the incentive to engage in such a strategy for the reasons outlined below.
104. In assessing the incentive to foreclose, the CMA has considered whether the benefit of additional (downstream) consumer tissue sales generated by a foreclosure strategy would exceed the potential cost of losing Suzano's (upstream) BEKP sales, taking into account the extent of expected customer switching as well

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<sup>155</sup> Response to the CMA questionnaire from a number of third parties, April 2026, questions 11 and 12. [X, X, X] [X] The CMA notes that one consumer tissue producer [X] explained that it would switch if enough delivery capacity was available (response to the CMA questionnaire from a third party, April 2026, question 11 [X]).

<sup>156</sup> Note of call with a third party, February 2026, paragraph 53. [X]

<sup>157</sup> Response to the CMA questionnaire from a third party, April 2026, question 12. [X]

<sup>158</sup> See paragraph 87(a).

<sup>159</sup> See paragraph 99.

as the likelihood of reputational damage or retaliation from customers.<sup>160</sup> In conducting this assessment, the CMA's focus is on the relative magnitude of the overall cost and benefits of foreclosure, not on predicting the exact size of each element.<sup>161</sup> The CMA has also considered Suzano's business strategy and transaction rationale.

105. The Parties submitted that a foreclosure strategy would be inconsistent with Suzano's transaction rationale and business strategy.<sup>162</sup> In particular, the Parties submitted that the sale of pulp is core to Suzano's business from a strategic and financial perspective and the transaction rationale is to [X].<sup>163</sup> The Parties submitted that foreclosing customers in the UK would result in a significant loss of pulp sales, including due to customer retaliation against Suzano,<sup>164</sup> and contractual penalties for failure to supply BEKP in line with existing contractual conditions.<sup>165</sup> The Parties added that a foreclosure strategy targeted at UK-based customers would have no prospect of recoupment downstream as customers would continue production with BEKP supplied from alternative suppliers.<sup>166</sup>
106. Suzano's internal documents broadly support the Parties' stated transaction rationale and Suzano's business strategy.<sup>167</sup> The CMA therefore considers that Suzano's business strategy and transaction rationale do not indicate an incentive to undertake a foreclosure strategy.
107. Taken in the round, the evidence suggests that a UK-focused foreclosure strategy would be likely to result in material upstream losses for Suzano. First, as explained above, there are limited barriers to switching and rivals have sufficient available capacity to replace the volumes of BEKP supplied by Suzano to Suzano's UK consumer tissue customers, and accordingly these customers could switch some or all of their UK demand from Suzano. Second, the CMA considers that loss of sales would be even greater in the medium to long term as Suzano's UK consumer tissue customers could retaliate against the foreclosure strategy by reducing or switching more significant volumes procured from Suzano in other jurisdictions beyond the UK, given they operate on an international or global basis.<sup>168</sup>

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<sup>160</sup> [CMA129](#), paragraph 7.16.

<sup>161</sup> [CMA129](#), paragraph 7.18. The CMA also considered the Parties relative profit margins in the upstream BEKP market and downstream consumer tissues market. The CMA found that the relative margins in this case was inconclusive evidence of incentive to foreclose.

<sup>162</sup> Parties' submission to the CMA on incentive to foreclose, March 2026, paragraph 1.3(a).

<sup>163</sup> Parties' submission to the CMA on incentive to foreclose, March 2026, paragraphs 1.3(a) and 2.12.

<sup>164</sup> Parties' submission to the CMA on incentive to foreclose, paragraphs 3.8 and 4.9.

<sup>165</sup> Parties' submission to the CMA on incentive to foreclose, paragraph 4.1.

<sup>166</sup> Parties' submission to the CMA on incentive to foreclose, paragraph 3.6.

<sup>167</sup> Suzano's Internal Document, Attachment 006 to the FMN, slide 13; Suzano's Internal Document, Attachment 006 to the FMN, slide 4; Suzano's Internal Document, Attachment 101 to the FMN, slide 10; Suzano's Internal Document, Attachment 101 to the FMN, slides 3 and 5; Suzano's Internal Document, Attachment 101 to the FMN, slide 4.

<sup>168</sup> See paragraph 99.

108. With regards to downstream gains, the evidence the CMA has reviewed is mixed. Kimberly-Clark has a material share of supply in the UK, with strong branded products in both toilet paper and facial tissues,<sup>169</sup> and Suzano is a key supplier to Kimberly-Clark's rivals in the UK, including in the branded segment.<sup>170</sup> Both these factors could suggest the potential for material diversion in certain segments of the downstream market. However, downstream gains from certain product segments, such as kitchen towels or private label consumer tissue products overall, are likely to be more limited as a foreclosure strategy is less likely to result in substantial diversion of sales to Kimberly-Clark given its moderate sales in these segments.<sup>171</sup>
109. In any case, due to Suzano's UK consumer tissue producer customers' ability to switch, any downstream gains from a foreclosure strategy targeting the UK would likely be limited to the short-term, while rivals establish new sources of supply. The CMA therefore considers that these potential short-term gains would be outweighed by the substantially larger longer term upstream losses in sales in BEKP due to Suzano's UK consumer tissue customers retaliating by reducing sales and volumes from Suzano in the UK and other jurisdictions.

### 5.3.3 Effect

110. Given the CMA has found that Suzano would have no ability or incentive to introduce a UK-focused foreclosure mechanism on consumer tissue producers, the CMA has not considered the effect of such a foreclosure strategy.

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<sup>169</sup> According to the Parties' estimates Kimberly-Clark had a share of supply of approximately [30-40]% by value in the UK in 2024 (FMN, Table 17). Consumer tissue producers submitted that Kimberly-Clark is the clear market leader in branded toilet and facial tissue [redacted]; has dominant, market leading brands in toilet tissue and facial [redacted]; and owns the No.1 brands in toilet tissue (Andrex) and facial tissue (Kleenex) [redacted] (note of call with a third party, February 2026, paragraph 62 [redacted]; and response to the CMA questionnaire from a number of third parties, April 2026, question 16 [redacted, redacted]).

<sup>170</sup> According to the Parties' estimates, in the UK in 2024, two [redacted, redacted] of the rival consumer tissue producers supplied by Suzano had shares of supply by value for branded consumer tissue only of approximately 26% and 10% respectively (FMN, Table 19). These rival consumer tissue producers [redacted, redacted] procured material proportions of their UK BEKP demand from Suzano in 2025, [redacted] and [redacted] respectively (response to the CMA questionnaire from a number of third parties, April 2026, question 5 [redacted, redacted]).

<sup>171</sup> With regards to kitchen towels, the Parties submitted that Kimberly-Clark had [redacted] from sales of kitchen towels in the UK in 2025 (Parties' response to the CMA's RFI 4, footnote 2). With regards to private label, the Parties submitted that in the UK in 2025, Kimberly-Clark had just over £[redacted] of private label sales which is substantially smaller than its sales of branded consumer tissues worth over £[redacted] (Parties' response to the CMA's RFI 4, Table 2).

## **DECISION**

111. Consequently, the CMA does not believe that it is or may be the case that the Merger may be expected to result in an SLC within a market or markets in the United Kingdom.
112. The Merger will therefore not be referred under section 33(1) of the Act.

**Naomi Burgoyne**  
**Senior Director, Mergers**  
**Competition and Markets Authority**  
**28 May 2026**