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PUBLIC VERSION

In the published version of this decision, some information has been omitted pursuant to Article 17(2) of Council Regulation (EC) No 139/2004 concerning non-disclosure of business secrets and other confidential information. The omissions are shown thus […]. Where possible the information omitted has been replaced by ranges of figures or a general description.

Suzano S.A.
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Subject: **Case M.12078 - SUZANO / KIMBERLY-CLARK (INTERNATIONAL FAMILY CARE & PROFESSIONAL BUSINESS)**
Commission decision pursuant to Article 6(1)(b) of Council Regulation No 139/2004 ([1]) and Article 57 of the Agreement on the European Economic Area ([2])

Dear Sir or Madam,

(1) On 31 March 2026, the European Commission received notification of a proposed concentration pursuant to Article 4 of the Merger Regulation by which Suzano International Holding B.V., a wholly-owned subsidiary of Suzano S.A. (Brazil, together with its controlled subsidiaries, "**Suzano**"), will acquire sole control over Kimberly-Clark IFP NewCo B.V. (Netherlands, "**Kimberly-Clark IFP**" or the "**Target**") within the meaning of Article 3(1)(b) of the Merger Regulation, by way of purchase of shares (the "**Transaction**"). ([3]) Suzano is hereinafter

([1]) OJ L 24, 29.1.2004, p. 1 (the 'Merger Regulation'). With effect from 1 December 2009, the Treaty on the Functioning of the European Union ('TFEU') has introduced certain changes, such as the replacement of 'Community' by 'Union' and 'common market' by 'internal market'. The terminology of the TFEU will be used throughout this decision.
([2]) OJ L 1, 3.1.1994, p. 3 (the 'EEA Agreement').
([3]) OJ C, C/2026/2129, 10.4.2026.

designated as the "Notifying Party", and together with Kimberly-Clark IFP as the "**Parties**".

1. THE PARTIES

(2) **Suzano** is a publicly traded company listed on the São Paulo and New York Stock Exchanges. Suzano is mostly active in the production and sale of wood pulp at global level, as well as the sale of tissue products in Brazil. ([4])

(3) **Kimberly-Clark IFP** is a newly formed subsidiary of Kimberly-Clark Corporation (the "**Seller**"), created for the purposes of the Transaction. Kimberly-Clark IFP consists of the assets of Kimberly-Clark Corporation's International Family Care & Professional ("**IFP**") business located in Europe, Africa, South America, Central America, Puerto Rico, Middle East, Asia and Oceania. ([5]) The IFP business covers the production and sale of tissue products for personal (bath tissue, hand and face tissue, household care) and professional use (washroom tissue, wipers).

2. THE OPERATION

(4) Pursuant to an Equity and Asset Purchase Agreement entered into on 4 June 2025, Suzano will acquire sole control over the Target as it will own 51% of the shares in Kimberly-Clark IFP. The remaining 49% will be retained by Kimberly-Clark Corporation, with Suzano holding a call option over this stake, exercisable either (i) at any time from three years after Closing, or (ii) earlier if Kimberly-Clark Corporation vetoes Kimberly-Clark IFP entering into a strategic alliance, joint venture, or other similar arrangement that entails an additional equity investment requirement. ([6])

(5) Pursuant to the joint venture agreement ("**JVA**") that Suzano and Kimberly-Clark Corporation will enter into at Closing, Kimberly-Clark IFP's board will be composed of 3 members appointed by Suzano and 2 members appointed by Kimberly-Clark Corporation. The board will decide by simple majority, including in relation to decisions on budget, business plan and senior management appointment, meaning that Suzano will be able to take decisions alone. Kimberly-Clark Corporation will not have veto rights over strategic commercial decisions. ([7])

(6) As a result of the Transaction, Suzano will therefore acquire sole control over Kimberly-Clark IFP.

([4]) In 2023, Suzano acquired Kimberly-Clark Corporation's tissue production business in Brazil.

([5]) The Seller will retain its consumer tissue and professional businesses in the US and interests in existing joint ventures in Mexico, South Korea, and Bahrain, among other countries. None of the Seller's retained consumer and professional tissue business makes sales into the EEA.

([6]) The call option can be exercised earlier than the three years post-closing only in this case. As entering into such alliance/partnership – which would be an exceptional event – is expected to impact the nature of the Target's business, the veto right granted to Kimberly-Clark Corporation is to be considered as a form of protection of the financial interest of the minority shareholder. See Form CO, paragraphs 42-45.

([7]) As explained in footnote 6, the veto right granted to Kimberly-Clark Corporation regarding the exceptional situation of a strategic alliance/partnership entered into by the Target does not confer control to Kimberly-Clark Corporation over the Target.

3. UNION DIMENSION

(7) The undertakings concerned have a combined aggregate worldwide turnover of more than EUR 5 000 million (Suzano: […] in 2024; Target: […] in 2024). ([8]) Each of them has a Union-wide turnover in excess of EUR 250 million (Suzano: […] in 2024; Target: […] in 2024), but each of the Parties does not achieve more than two-thirds of its aggregate Union-wide turnover within one and the same Member State. The Transaction therefore has a Union dimension.

4. MARKET DEFINITION

4.1. Production and supply of Bleached Eucalyptus Kraft Pulp

4.1.1. Product market definition

4.1.1.1. The Commission's previous practice

(8) In its earlier decisions, the Commission has considered a single product market comprising all types of pulp. ([9]) However, in more recent decisions, the Commission has considered a narrower market for chemical pulp and has assessed potential further segmentations between hardwood and softwood pulp, as well as between bleached and unbleached pulp. ([10]) When hardwood pulp is bleached, it is referred to as Bleached Hardwood Kraft Pulp ('BHKP'). In its most recent decision concerning these markets, the Commission has considered that the market for the production and supply of Bleached Eucalyptus Kraft Pulp ('BEKP', which is a sub-type of BHKP) constitutes the narrowest plausible market without the need for further segmentation. ([11])

4.1.1.2. The Notifying Party's views

(9) The Notifying Party generally does not contest the Commission's most recent decisional practice of considering the production and supply of BEKP as the narrowest plausible market, ([12]) noting however that there is at least some degree of substitutability between BEKP and other materials. ([13])

(10) In particular, the Notifying Party submits, from a demand-side perspective, that while other materials such as softwood pulp and other types of BHKP ([14]) exhibit different technical properties, they are generally used by tissue producers in combination to achieve the desired performance of the final product. The fibre mix used in tissue production can be adjusted in response to product

([8]) Turnover calculated in accordance with Article 5 of the Merger Regulation.
([9]) Commission decisions in cases M.166 - *Torras/Sarrio*, paragraph 9; M.210 - *Mondi/Frantschach*, paragraph 12; M.646 - *Repola/Kymmene*, paragraph 30; M.1356 - *Metsä-Serla/UK Paper*, paragraph 11; M.4054 - *Koch Industries/Georgia-Pacific*, paragraph 9; M.5150 - *UPM RUS/Brist/JV*, paragraph 23; M.6101 - *UPM/Myllykoski and Rhein Papier*, paragraphs 235-237.
([10]) Commission decision in case M.5477 - *Votorantim/Aracruz*, paragraphs 11-19
([11]) Commission decisions in cases M.8951 - *Suzano Papel e Celulose/Fibria Celulose,* paragraph 65; M.10206 - *Mayr-Melnhof Karton/International Paper (Poland)*, paragraph 37.
([12]) Form CO, paragraph 92.
([13]) Form CO, paragraph 93.
([14]) The Notifying Party submits that other types of BHKP used in tissue production include notably birch, beech and poplar (Form CO, paragraph 93). Respondents to the Commission's market investigation also cited acacia and mixed hardwood as types of BHKP (Tissue producer questionnaire, question C.A.A.1.1).

specifications, costs targets or market dynamics, such that part of the BEKP content in the fibre mix can be replaced by alternative fibres. ([15])

(11) The Notifying Party further submits that there is also a degree of supply-side substitutability between BEKP and other fibre types. In particular, certain pulp producers may be able to switch production between hardwood and softwood pulp or produce multiple fibre types subject to technical configurations and economic considerations. ([16])

4.1.1.3. The Commission's assessment

(12) The Commission notes from the outset that BEKP is a key input for the production of different types of paper, including packaging, printing and writing, specialty paper and tissue products. ([17]) Given that the only pulp Suzano produces is BEKP ([18]) and the Target is active only in the production of tissue paper, the Commission has focused its assessment on the relevant product market with a view to the applications and substitutability of BEKP as an input for tissue production.

(13) The results of the market investigation in the present case confirm the Commission's previous decisional practice of considering as narrowest plausible product market the market for the production and supply of BEKP.

(14) From the demand side, almost all tissue producers indicated that BEKP is to be considered as a separate market, distinct from softwood pulp or other types of BHKP. ([19])

(15) Among the reasons cited, tissue producers notably highlighted that BEKP has distinct fibre morphology and properties resulting in specific characteristics conferred to the final tissue product (e.g., differences in softness and tensile strength). ([20]) Although softwood pulp is typically also used in the mix, it serves distinct purposes, such as improving strength and rigidity of the final product. ([21]) The proportions of BEKP and softwood pulp are determined largely by consumer preferences for particular tissue qualities. ([22]) Moreover, softwood pulp is considerably more expensive than BEKP. ([23]) Producers are therefore not willing to fully substitute BEKP with softwood pulp, as doing so would alter the characteristics of the final product and be economically inefficient. This was confirmed by all tissue producers that have expressed a view in the Commission's market investigation. ([24]) As one tissue producer explained, "*Hardwood and softwood pulps differ in both price and functional properties. […] BEKP adds softness, while softwood provides strength and rigidity. Softwood and hardwood pulps are not interchangeable, as they serve different performance characteristics.*" ([25])

([15]) Form CO, paragraph 93.
([16]) Form CO, paragraph 94.
([17]) Form CO, paragraph 110.
([18]) Suzano also produces fluff pulp to a lesser extent, however this is not an input for tissue paper products. See Form CO, Table 3.
([19]) Tissue producer questionnaire, question C.A.A.1.
([20]) Tissue producer questionnaire, question C.A.A.1.1.
([21]) Tissue producer questionnaire, question C.A.A.2.1 and non-confidential version of the minutes of a call with a tissue producer, 30 January 2026.
([22]) Non-confidential version of the minutes of a call with a tissue producer, 30 January 2026.
([23]) Tissue producer questionnaire, question C.A.A.2.1.
([24]) Tissue producer questionnaire, question C.A.A.2.
([25]) Non-confidential version of the minutes of a call with a tissue producer, 30 January 2026.

(16) Regarding other types of BHKP such as birch, acacia or mixed hardwood, their substitutability with BEKP was considered limited by the vast majority of tissue producers. ([26]) Reasons cited included different technical properties and inferior quality compared to BEKP, as well as limited availability of alternative BHKP supplies. ([27])

(17) As regards the supply side, BEKP producers cannot readily switch production to other types of pulp, or vice versa.

(18) Pulp production is inherently tied to long-term forestry management, as producers either own or source wood from forests located near their production plants. Switching to producing an alternative pulp type would require establishing new forest resources, which (even when there are suitable alternatives to eucalyptus that can grow in the given area) would require lead times spanning several years. ([28])

(19) The market investigation confirmed that there are limitations to switching production to other types of pulp. While some respondents indicated that, with limited configurations, the same mills can technically be used to produce BEKP and other types of pulp, it was generally confirmed that switching from BEKP to other types of pulp and vice-versa would have broader ramifications on the supply chain. ([29]) As one pulp producer explained, "*[s]witching to softwood pulp without significant cost and time is not realistic in practice. The type of pulp is determined by the wood species, and mills are built around existing eucalyptus plantations. Establishing a new softwood forest would take approximately 20 years to reach maturity*." ([30]) This pulp producer indicated that the same considerations would apply in case of switching between BEKP and another type of hardwood pulp. ([31])

(20) The market investigation also confirmed that further segmentation of the market for the production and supply of BEKP (e.g., according to the type or grade of BEKP) is not relevant. The vast majority of tissue producers and all pulp producers indicated that all BEKP in the market is suitable as an input for all tissue products. ([32])

(21) In view of the above, for the purpose of this decision, the Commission considers that the market for the production and supply of BEKP should be considered as the narrowest plausible market and will assess the effects of the Transaction

([26]) Tissue producer questionnaire, question C.A.A.3.
([27]) Tissue producer questionnaire, questions C.A.A.3.1 and C.A.A.5.
([28]) Pulp producer questionnaire, question C.A.A.2; Non-confidential version of the minutes of a call with a BEKP producer, 2 February 2026.
([29]) Pulp producer questionnaire, question C.A.A.2.
([30]) *Ibid.*
([31]) *Ibid.*
([32]) Tissue producer questionnaire, question C.A.A.9; Pulp producer questionnaire, questions C.A.A.8. and C.A.A.9. For completeness, a small minority of tissue producers indicated that certain customers in Germany may have a preference for total chlorine-free (**"**TCF**"**) tissue products for environmental reasons, hence requiring TCF BEKP (Tissue producer questionnaire, question C.A.A.9.1; Non-confidential version of the minutes of a call with a tissue paper producer dated 30 January 2026). TCF BEKP is characterized by a particular bleaching configuration and represents a small proportion of the overall BEKP supply (for Suzano, only […]% of its global BEKP sales are TCF BEKP (Form CO, paragraphs 287 and 386)). The Commission however notes that Kimberly-Clark IFP […] which means that, even on a hypothetical segment for TCF BEKP, the Transaction would not lead to […]. Against this background, the Commission concludes that the Transaction is not likely to result in foreclosure concerns as regards the hypothetical segment of TCF BEKP. This hypothetical segment will therefore not be further discussed in the decision.

accordingly. Given that Suzano is only active in the production and supply of BEKP, other types of pulp will not be further discussed in this decision.

4.1.2. Geographic market definition

4.1.2.1. The Commission's previous practice

(22) In its previous decisional practice, the Commission found the market for the production and supply of BEKP to be at least EEA-wide in scope, while considering also a possible global market definition. It ultimately left the exact geographic scope of the market for the production and supply of BEKP open. ([33])

4.1.2.2. The Notifying Party's views

(23) The Notifying Party considers the market for the production and supply of BEKP to be global, or at least regional, extending beyond national boundaries. ([34])

4.1.2.3. The Commission's assessment

(24) The market investigation confirmed that BEKP is traded globally. Almost all tissue producers indicated that they procure BEKP from suppliers located in the EEA and beyond, mostly from Latin America where eucalyptus grows under more favourable conditions. ([35]) All BEKP producers in turn indicated that they supply BEKP in multiple regions of the world. ([36])

(25) The results of the market investigation were mixed with regard to whether prices for BEKP are aligned worldwide. A majority of tissue paper producers and a significant minority of BEKP producers indicated that prices of BEKP vary between the main regions of the world. ([37]) However, several respondents submitted that regional price differences depend on elements such as local demand, logistics and contract timing, rather than fundamentally different BEKP price curves, and that price evolutions in one region of the world affect how prices evolve in other regions. ([38]) As one tissue producer explained, "*[p]rice difference in one area cannot be defined always higher or lower compared to the others. Price is going up and down according to local demand, stocks and momentaneous supply chain assessment. The trend of prices is generally the same influenced by global demand and offer*". ([39])

(26) One specificity that to some extent differentiates the demand in the EEA from that in other regions relates to environmental certifications. The Commission's market investigation revealed that, unlike in most other regions, tissue producers in the EEA require their BEKP suppliers to have specific certifications, ([40]) namely FSC or PEFC. ([41]) ([42]) In this respect, almost all respondents to the market

([33]) Commission decision in case M.8951 - *Suzano Papel e Celulose/Fibria Celulose*, paragraphs 70-71.
([34]) Form CO, paragraph 97.
([35]) Tissue producer questionnaire, question C.A.B.2.
([36]) Pulp producer questionnaire, question C.A.B.2.
([37]) Tissue producer questionnaire, question C.A.B.3; Pulp producer questionnaire, question C.A.B.3.
([38]) Tissue producer questionnaire, question C.A.B.3.1; Pulp producer questionnaire, question C.A.B.3.1.
([39]) Tissue producer questionnaire, question C.A.B.3.1.
([40]) Tissue producer questionnaire, C.A.A.7.
([41]) 'FSC' stands for 'Forest Stewardship Council'. 'PEFC' stands for 'Programme for the Endorsement of Forest Certification'.
([42]) Tissue producer questionaire, question C.A.A.8.

investigation consistently identified certification as a key factor for the sourcing and supplying of wood pulp. ([43])

(27) Most of the BEKP supplied in the EEA is produced in Latin America. ([44]) All of the respondents to the Commission's market investigation producing BEKP in Latin America submitted that they hold both FSC and PEFC certifications. ([45]) As Asian suppliers generally do not offer certified pulp, given that this feature is not typically a requirement for Asian customers, ([46]) the presence of Asian suppliers is limited in the EEA. However, the suppliers who are currently not active in the EEA account for only 15% of the global BEKP capacity, ([47]) such that there is a significant degree of overlap when considering an EEA-wide or worldwide market.

(28) In any case, given that the Transaction does not raise serious doubts as to its compatibility with the internal market under any plausible geographic market definition, the precise geographic market definition can be left open.

(29) In view of the above, for the purpose of this decision, the Commission will assess the Transaction both on the basis of an EEA-wide and a worldwide market for the production and supply of BEKP.

4.2. Production and supply of tissue paper products

4.2.1. Product market definition

4.2.1.1. The Commission's previous practice

(30) In its past decisional practice, the Commission has considered various segmentations of the overall market for the production and supply of tissue paper products.

(31) With regard to the distribution channel, the Commission has defined separate product markets for tissue products supplied to retailers ('consumer tissue products') and tissue products supplied to the away-from-home ('AFH') market. ([48]) The latter includes supplies of tissue products to hotels, restaurants, catering firms and other corporate customers.

(32) Within the market for consumer tissue products, the Commission has further defined separate product markets per specific product, in particular for (i) toilet tissue, (ii) kitchen towels, (iii) handkerchiefs and facial tissues, and (iv) napkins. ([49])

(33) Moreover, for each consumer tissue product listed in paragraph (32) above, the Commission has defined separate product markets for branded and private label (i.e. retailer brand) products. ([50])

(34) As regards the AFH market, the Commission has defined separate product markets for each of the following products: (i) toilet tissue, (ii) hand wiping

([43]) Tissue producer questionaire, questions C.A.A.8 and C.A.A.8.2; Pulp producer questionnaire, questions C.A.A.5 and C.A.A.6.
([44]) Form CO, table 37.
([45]) Pulp producer questionnaire, question C.A.A.3.
([46]) Tissue producer questionnaire, questions C.A.B.4 and C.A.B.4.1.
([47]) Form CO, table 18.
([48]) Commission decision in case M.2097 - *SCA / Metsä Tissue,* paragraph 17.
([49]) Commission decision in case M.2097 - *SCA / Metsä Tissue,* paragraph 19.
([50]) Commission decision in case M.2097 - *SCA / Metsä Tissue,* paragraph 28.

products, (iii) general wiping, (iv) health care (e.g. examination couch covers, patient washcloths etc.), and (v) napkins.

(35) The Commission has further considered segmenting each AFH product market between branded and private label products but ultimately concluded that such distinction would not be warranted. ([51])

4.2.1.2. The Notifying Party's views

(36) The Notifying Party does not contest the Commission's previous decisional practice. ([52])

4.2.1.3. The Commission's assessment

(37) The results of the market investigation confirmed that the Commission's previous decisional practice is still relevant.

(38) The vast majority of tissue producers submitted that they agree with the Commission's previous decisional practice. ([53])

(39) For the purposes of the present case, the Commission notes that the exact product market definition can be left open, since the Transaction does not raise serious doubts as to its compatibility with the internal market under any plausible market definition. While the Commission considers the narrowest possible product market definitions set out in Section 4.2.1.1 above to be still relevant, for the purposes of this decision, the assessment of the vertical relationship between Suzano's upstream activities in the production and supply of BEKP and the Target's downstream activities in the production and supply of tissue paper products will be conducted by reference to the Target's aggregate position across all tissue paper product markets, as the same conclusion applies for each specific product market for the reasons detailed in paragraphs (54) *et seq.* below. ([54])

4.2.2. Geographic market definition

4.2.2.1. The Commission's previous practice

(40) In a past decision referring specifically to the markets for the production and supply of tissue paper product in the Nordic countries, the Commission considered that the geographic scope for branded and private label consumer products, as well as AFH products, is national in scope or wider, encompassing clusters of countries. The Commission left open whether outside the Nordic region the relevant geographic market is wider in scope. ([55])

4.2.2.2. Notifying Party' views

(41) The Notifying Party does not contest the Commission's past decisional practice. ([56])

([51]) Commission decision in case M.2097 - *SCA / Metsä Tissue,* paragraphs 34-35.
([52]) Form CO, paragraphs 98-104.
([53]) Tissue producer questionnaire, question C.B.A.1.
([54]) For the avoidance of doubt, references in this decision to the overall production and supply of tissue paper products do not refer to a separate product market definition, but to the aggregate of all individual product markets identified in Section 4.2.1.1.
([55]) Commission decision in case M.2097 - *SCA / Metsä Tissue,* paragraphs 59, 67 and 73.
([56]) Form CO, paragraph 104.

4.2.2.3. The Commission's assessment

(42) For the purposes of the present case, the Commission considers that it can be left open whether the exact geographic scope of the various markets for the production and supply of tissue paper products is national or wider (i.e. comprising clusters of countries, or the EEA as a whole). While the Commission considers a national scope as the narrowest possible geographic market definition, for the purposes of this decision, the assessment of the vertical relationship between Suzano's upstream activities in the production and supply of BEKP and the Target's downstream activities in the production and supply of tissue paper products will be conducted by reference to the Target's aggregate position across the EEA, as the same conclusion applies at national level, for the reasons detailed in paragraphs (54) *et seq.* below.

5. COMPETITIVE ASSESSMENT

(43) The Transaction results in a vertical relationship between, upstream, Suzano's activities on the market for the production and supply of BEKP and, downstream, Kimberly-Clark IFP's activities on the production and supply of tissue paper products market. ([57])

(44) The Transaction does not lead to any horizontally affected markets, as Kimberly-Clark IFP is not active in the market for the production and supply of BEKP, and, conversely, Suzano is not active in the EEA production and supply of tissue paper products market. ([58])

(45) The Transaction also results in horizontal overlaps and vertical links for a number of other markets. ([59]) However, none of these overlaps or links give rise to affected markets within the meaning of recital 25(g) Annex I to Regulation (EU) 2023/914, ([60]) as they meet the conditions for review under point 5 or benefit from the flexibility clauses of point 8 of the Notice on Simplified Treatment. ([61]) Therefore, these overlaps and vertical links will not be further discussed in this decision.

5.1. Legal framework

(46) According to the Non-horizontal Merger Guidelines, ([62]) non-coordinated effects may significantly impede effective competition as a result of a vertical merger if such merger gives rise to foreclosure. Foreclosure occurs where actual or potential

([57]) See paragraphs (52) and (53) for Kimberly-Clark IFP's activities in the downstream tissue paper products markets.

([58]) Suzano has tissue products activities but only outside the EEA (notably, in Brazil).

([59]) For completeness, the Transaction results in a limited horizontal overlap in the market for tissue parent reels as well as in two potential vertical relationships between (i) the markets for the production and supply of BEKP and of tissue parent reels to third parties and (ii) the market for the supply of tissue parent reels to third parties and of tissue paper products.

([60]) Commission Implementing Regulation (EU) 2023/914 of 20 April 2023 implementing Council Regulation (EC) No 139/2004 on the control of concentrations between undertakings and repealing Commission Regulation (EC) No 802/2004, OJ L 119, 5.5.2023, p. 22.

([61]) Commission Notice on a simplified treatment for certain concentrations under Council Regulation (EC) No 139/2004 on the control of concentrations between undertakings 2023/C 160/01, OJ C 160, 5.5.2023, p. 1.

([62]) Guidelines on the assessment of non-horizontal mergers under the Council Regulation on the control of concentrations between undertakings ('Non-Horizontal Merger Guidelines'), OJ C 265, 18.10.2008, p. 6-25.

competitors' access to supplies or markets is hampered or eliminated as a result of the merger, thereby reducing those companies' ability and/or incentive to compete. ([63]) The Non-Horizontal Merger Guidelines distinguish between two forms of foreclosure. Input foreclosure occurs where the merger is likely to raise the costs of downstream competitors by restricting their access to an important input. Customer foreclosure occurs where the merger is likely to foreclose upstream competitors by restricting their access to a sufficient customer base. ([64])

(47) In assessing the likelihood of an anticompetitive foreclosure scenario, the Commission examines, first, whether the merged entity would have the ability to substantially foreclose access to inputs or customers, second, whether it would have the incentive to do so, and third, whether a foreclosure strategy would have a significant detrimental effect on competition downstream. ([65])

5.2. Market shares

(48) **Table 1** below presents estimates for Suzano's market share in the upstream market for the production and supply of BEKP and Kimberly-Clark IFP's market share in the downstream production and supply of tissue paper products market. Overall, these shares appear to be moderate, both when considering sales-based market shares (as presented below), but also when considering capacity-based market shares. ([66])

Table 1: Parties' (sales) market shares in the production and supply of BEKP market and the overall market for the production and supply of tissue paper products at global and EEA level, 2024

Markets	Suzano	Kimberly-Clark
Global – BEKP (kilo tonnes)	[30-40]%	-
EEA – BEKP (kilo tonnes)	[30-40]%	-
EEA – Tissue products (€)	-	[5-10]%

Source: Form CO, Section 6.

(49) **Table 2** and **Table 3** below present estimates for Suzano and its competitors in the upstream production and supply of BEKP market in 2022-2024. These indicate that, although Suzano is by a large margin the leading supplier in the production and supply of BEKP market (with a share between [20-30]% and [30-40]%), post-Transaction at least 15 competitors will remain active in the market – with the remaining suppliers amounting to [60-70]% of the BEKP market. Moreover, as will be explained in paragraph (79), the results of the market investigation confirmed that Suzano does not possess characteristics that competing BEKP suppliers cannot offer.

([63]) Non-Horizontal Merger Guidelines, paragraph 18.
([64]) Non-Horizontal Merger Guidelines, paragraph 30.
([65]) Non-Horizontal Merger Guidelines, paragraph 32.
([66]) In terms of capacity, in 2024 Suzano's global production and supply of BEKP market share was [30-40]% (Form CO, Table 34) whereas Kimberly-Clark IFP's EEA tissue market share was [0-5]% (Form CO, paragraph 312). Suzano does not have BEKP manufacturing facilities outside of Latin America, such that its capacity share on an EEA-only basis would be 0%.

Table 2: Market shares (sales) in the global production and supply of BEKP market, 2022-2024

	2022		2023		2024	
Supplier	**Volumes (kton)**	**Shares (%)**	**Volumes (kton)**	**Shares (%)**	**Volumes (kton)**	**Shares (%)**
Suzano	**[…]**	**[30-40]%**	**[…]**	**[30-40]%**	**[…]**	**[30-40]%**
CMPC	[…]	[10-20]%	[…]	[10-20]%	[…]	[10-20]%
Bracell	[…]	[0-5]%	[…]	[10-20]%	[…]	[5-10]%
Arauco	[…]	[0-5]%	[…]	[5-10]%	[…]	[5-10]%
UPM	[…]	[0-5]%	[…]	[5-10]%	[…]	[5-10]%
Eldorado	[…]	[5-10]%	[…]	[5-10]%	[…]	[5-10]%
Klabin	[…]	[0-5]%	[…]	[0-5]%	[…]	[0-5]%
Cenibra	[…]	[0-5]%	[…]	[0-5]%	[…]	[0-5]%
Ence	[…]	[0-5]%	[…]	[0-5]%	[…]	[0-5]%
Stora Enso	[…]	[0-5]%	[…]	[0-5]%	[…]	[0-5]%
Altri	[…]	[0-5]%	[…]	[0-5]%	[…]	[0-5]%
April	[…]	[0-5]%	[…]	[0-5]%	[…]	[0-5]%
Navigator	[…]	[0-5]%	[…]	[0-5]%	[…]	[0-5]%
IP	[…]	[0-5]%	[…]	[0-5]%	[…]	[0-5]%
Mondi	[…]	[0-5]%	[…]	[0-5]%	[…]	[0-5]%
Sylvamo	[…]	[0-5]%	[…]	[0-5]%	[…]	[0-5]%
Others	[…]	[10-20]%	[…]	[5-10]%	[…]	[5-10]%
Total	**[…]**	**100%**	**[…]**	**100%**	**[…]**	**100%**

Source: Form CO, Annex 8-I-a; Notifying Party's response to RFI 9.

Table 3: Market shares (sales) in the EEA production and supply of BEKP market, 2022-2024

	2022		2023		2024	
Supplier	**Volumes (kton)**	**Shares (%)**	**Volumes (kton)**	**Shares (%)**	**Volumes (kton)**	**Shares (%)**
Suzano	**[…]**	**[20-30]%**	**[…]**	**[20-30]%**	**[…]**	**[30-40]%**
CMPC	[…]	[10-20]%	[…]	[10-20]%	[…]	[10-20]%
Ence	[…]	[5-10]%	[…]	[10-20]%	[…]	[5-10]%
Stora Enso	[…]	[5-10]%	[…]	[10-20]%	[…]	[5-10]%
Arauco	[…]	[5-10]%	[…]	[5-10]%	[…]	[5-10]%
UPM	[…]	[0-5]%	[…]	[0-5]%	[…]	[5-10]%
Eldorado	[…]	[0-5]%	[…]	[5-10]%	[…]	[5-10]%
Altri	[…]	[5-10]%	[…]	[5-10]%	[…]	[5-10]%
Cenibra	[…]	[5-10]%	[…]	[5-10]%	[…]	[0-5]%
Bracell	[…]	[0-5]%	[…]	[0-5]%	[…]	[0-5]%
Klabin	[…]	[0-5]%	[…]	[0-5]%	[…]	[0-5]%
Navigator	[…]	[0-5]%	[…]	[0-5]%	[…]	[0-5]%
Others	[…]	[5-10]%	[…]	[0-5]%	[…]	[0-5]%
Total	[…]	**100%**	[…]	**100%**	[…]	**100%**

Source: Form CO, Annex 8-I-a; Notifying Party's response to RFI 9.

(50) **Table 4** below presents estimates for the (sales-based) market share of Kimberly-Clark IFP and its competitors in the overall downstream production and supply of tissue paper in 2022-2024, encompassing both consumer and AFH segments at EEA level.

Table 4: Market shares (sales) in the EEA production and supply of tissue paper products, 2022-2024

	2022		2023		2024	
Supplier	**Volumes (kton)**	**Shares (%)**	**Volumes (kton)**	**Shares (%)**	**Volumes (kton)**	**Shares (%)**
Essity	[…]	[10-20]%	[…]	[10-20]%	[…]	[10-20]%
Kimberly-Clark	**[…]**	**[5-10]%**	**[…]**	**[5-10]%**	**[…]**	**[5-10]%**
Sofidel Group	[…]	[5-10]%	[…]	[5-10]%	[…]	[5-10]%
Metsäliitto Osk	[…]	[5-10]%	[…]	[5-10]%	[…]	[0-5]%
Lucart Group	[…]	[0-5]%	[…]	[0-5]%	[…]	[0-5]%
Wepa Group	[…]	[0-5]%	[…]	[0-5]%	[…]	[0-5]%
Velvet Care, Pehart Group	[…]	[0-5]%	[…]	[0-5]%	[…]	[0-5]%
Industrie Cart. Tronchetti	[…]	[0-5]%	[…]	[0-5]%	[…]	[0-5]%
Renova	[…]	[0-5]%	[…]	[0-5]%	[…]	[0-5]%
Groupe Paredes	[…]	[0-5]%	[…]	[0-5]%	[…]	[0-5]%
Cartiere Carrara	[…]	[0-5]%	[…]	[0-5]%	[…]	[0-5]%
MP Hygiene	[…]	[0-5]%	[…]	[0-5]%	[…]	[0-5]%
Other competitors	[…]	[10-20]%	[…]	[10-20]%	[…]	[10-20]%
Private Label ([67])	[…]	[40-50]%	[…]	[40-50]%	[…]	[40-50]%
Total	**[…]**	**100%**	**[…]**	**100.0%**	**[…]**	**100%**

Source: Form CO, Annex 8-I-a; Notifying Party's response to RFI 9.

Note: The data underlying this table presents one single market share for Velvet Care and Pehart Group as both are ultimately owned by Abris Capital Partners.

([67]) While a significant share of sales relates to private-label products, for which the underlying manufacturer cannot be identified, capacity data provide a more granular view of the competitive structure. On the basis of capacity, Kimberly-Clark IFP's share remains limited (below [0-5]%), while the combined share of private-label and other competitors is below [20-30]%.

(51) When considering the narrowest plausible product markets for the production and supply of tissue paper products at a national level in the EEA, ([68]) the Target's market share ranges in 2024 in terms of sales are as follows: ([69]) ([70])

Consumer tissue segment ([71])

(52) In the consumer tissue segment, the Target is active in the following subsegments:

(a) **Branded toilet tissue paper:** The Target is active in 12 countries, ([72]) with market shares ranging from [0-5]% in Estonia to [60-70]% in the Netherlands, and an EEA-wide share of [10-20]%.

(b) **Private label toilet tissue paper**: The Target is active in Spain, Portugal and Germany, with market shares of [10-20]%, [0-5]% and [0-5]% respectively. The Target's EEA-wide share is [0-5]%.

(c) **Branded kitchen towels**: The Target is active in 12 countries, ([73]) with market shares ranging from [0-5]% in Romania to [10-20]% in Italy, and an EEA-wide share of [0-5]%.

(d) **Branded handkerchiefs and facial tissues**: The Target is active in 23 countries, ([74]) with market shares ranging from [0-5]% in Bulgaria to [90-100]% in Norway, and an EEA-wide share of [20-30]%.

(e) **Private label handkerchiefs and facial tissues**: The Target is active in 7 countries, ([75]) with market shares ranging from less than [0-5]% in each of France and Italy to [50-60]% in Slovakia, and an EEA-wide share of [0-5]%.

AFH segment ([76])

(53) In the AFH segment, the Target is active throughout most of the countries in the EEA in the following subsegments:

(a) **Toilet tissue paper**: The Target's market shares are below [5-10]% in most countries, with the exception of Ireland where the Target has a share of [10-20%. The Target's EEA-wide share is [0-5]%.

(b) **Hand wiping products:** The Target's market shares exceed [20-30]% only in Slovakia ([30-40]%), while its EEA-wide share is [5-10]%.

(c) **General wiping products**: The Target's market share exceeds [20-30]% only in Slovakia ([20-30]%), while its EEA-wide share is [5-10]%.

(54) As discussed in Section 4.2 above, the market investigation supports the product segmentations for the production and supply of tissue paper products identified in the Commission's precedents set out in Section 4.2.1.1 above. As mentioned in

([68]) The average EEA-wide shares are also provided for each segment, for purposes of illustration.
([69]) See Form CO, Annex 8-I-b.
([70]) With regard to the supply of napkins in both the consumer tissue and AFH segments, the Target has limited sales in Italy, Spain, Portugal, Cyprus, Greece and Malta, amounting in any case to market shares of below [30-40]%; See Form CO, footnote 262.
([71]) The Target does not supply private label household towels and napkins; See Form CO, Table 5.
([72]) Austria, Belgium, Estonia, Germany, Greece, Ireland, Italy, Latvia, Netherlands, Portugal, Slovakia and Spain.
([73]) Belgium, Estonia, Germany, Ireland, Italy, Latvia, Lithuania, Netherlands, Portugal, Romania, Slovenia and Spain.
([74]) Austria, Belgium, Bulgaria, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Netherlands, Norway, Portugal, Romania, Slovakia, Slovenia, Spain and Sweden.
([75]) Austria, Czech Republic, France, Germany, Hungary, Italy and Slovakia.
([76]) The Target does not supply health care tissue products; See Form CO, Table 5.

paragraph (42) above, the narrowest possible geographic scope for each of these product markets is national. This said, for the purposes of assessing potential foreclosure effects arising from Suzano's upstream activities in the production and supply of BEKP and the Target's downstream activities in the production and supply of tissue paper products, the outcome of the assessment would not differ, irrespective of whether in the downstream level, individual tissue product markets are considered separately on a national basis, or whether the assessment would encompass all tissue product markets in the EEA. This is based on the following considerations:

(55) With regard to customer foreclosure, the Target's market share in each national tissue paper product market is by itself not indicative of the Target's significance as a customer for BEKP. This is because, as explained in paragraph (24) above, the supply of BEKP takes place at least at EEA level, and potentially on a global basis. BEKP is further used in a range of applications beyond tissue paper products, ([77]) such as in writing or packaging paper, where the Target and other tissue producers are typically not active. ([78]) In this context, an assessment limited to separate national downstream markets would not accurately reflect the Target's overall importance as a purchaser of BEKP. Instead, it is more appropriate to consider the Target's aggregate presence at EEA level across all tissue paper product markets, in order to properly assess the potential impact of the Transaction in terms of customer foreclosure.

(56) As regards the foreclosure of BEKP inputs to the Target's rivals in the production and supply of tissue paper products, the Commission explains in the following paragraphs why it is appropriate to assess the Transaction by reference to the Target's aggregate position in the production and supply of tissue paper products in the EEA, rather than separately for each individual tissue product market and country.

(57) In summary, for the reasons set out in paragraphs (60) *et seq.* below, the Commission considers that any potential input foreclosure strategy could not realistically be implemented in a targeted manner with respect to a specific tissue product market in a specific country. Rather, any such strategy would most likely need to affect a downstream rival's overall tissue production activities, typically spanning multiple tissue product markets, segments and EEA countries.

(58) Accordingly, as will be substantiated below, if the Transaction is unlikely to give rise to input foreclosure concerns at this aggregate level, the same conclusion applies *a fortiori* to level of individual tissue products, segments, or EEA countries. On that basis, the Commission conducts its assessment of potential input foreclosure in Section 5.4 by reference to the Target's aggregate position in the production and supply of tissue paper products in the EEA, while noting that its conclusions equally apply to any specific tissue product market in any specific country (including the subsegments where the Target's market shares are particularly high, such as e.g. in the subsegment for branded handkerchiefs and facial towels in Norway).

(59) For the reasons set out below, the Commission considers that any potential strategy to foreclose BEKP input from the Target's rivals in the production and supply of tissue paper products could not realistically be implemented in a targeted manner with respect to a specific tissue product market in a specific

([77]) Form CO, paragraph 118 (b).
([78]) Tissue producer questionnaire, B.2.1.

country. Instead, any such strategy would most likely need to affect a downstream rival's overall tissue production activities in the EEA:

(60) *First*, procurement of BEKP takes place at least at EEA-wide level. Almost all tissue producers responded to the Commission's market investigation that they procure BEKP centrally to cover demand across their various tissue products and geographic markets. ([79]) The vast majority of tissue producers also confirmed that all BEKP available in the market is technically suitable as an input for all tissue products and segments. ([80]) Moreover, all tissue producers and BEKP suppliers alike responded that BEKP has uniform technical specifications and price, irrespective of its end use. ([81]) Accordingly, the merged entity would not be able to restrict BEKP supplies to a specific production plant of a downstream rival, serving a specific tissue product or segment in a specific country. Instead, the merged entity would have to restrict BEKP supplies to such downstream rival for their overall tissue production activities in the EEA.

(61) *Second*, BEKP can be transported and supplied within the EEA without material constraints. ([82]) Even if in theory the merged entity restricted deliveries to only a specific plant of a downstream rival, that rival could reallocate BEKP volumes across its operations within the EEA so as to mitigate the impact on the affected plant.

(62) *Third*, tissue producers are typically active across a broad range of tissue products and segments. According to information submitted by the Notifying Party, all of the Target's top 10 competitors in the consumer tissue segment (together accounting for 93% of the revenues in that segment among named competitors in the Notifying Party's data) are active across toilet paper, facial tissue and paper towels. ([83]) Similarly, nine out of the Target's top 10 competitors in the AFH segment (accounting for 93% of segment revenues among the named competitors in the Notifying Party's data) are active in at least two out of toilet tissue, hand wiping products and general wiping products. ([84]) As regards their geographic footprint, all of the Target's five closest competitors in private label ([85]) tissue paper products are active across multiple countries in the EEA. ([86]) It is therefore not likely that the merged entity would be able to limit an input foreclosure strategy at a specific tissue product market in a specific EEA country, by targeting a tissue producer specialising in that market, since tissue producers typically do not specialise in only one tissue product, segment or country. As a result, any such foreclosure attempt would have a broader impact in tissue product markets and countries beyond the one targeted by the merged entity.

(63) From the above it appears that any input foreclosure strategy would most likely impact a downstream rival's overall tissue production activities, which typically span multiple tissue product markets, segments and countries within the EEA,

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([79]) Tissue producer questionnaire, D.4.
([80]) Tissue producer questionnaire, C.A.A.9.
([81]) Tissue producer questionnaire, D.7 ; Pulp producer questionnaire, C.B.A.2.
([82]) Non-confidential version of the minutes of a call with a pulp producer dated 2 February 2026.
([83]) Form CO, paragraph 440. See also Tissue producer questionnaire, B.2.
([84]) Form CO, paragraph 441. See also Tissue producer questionnaire, B.2.
([85]) All of which are also active in private label tissue paper products, and all except for one are also active in the AFH segment; See Form CO, Table 17.
([86]) Form CO, Table 17. These competitors are Essity (active in 25 EEA countries), Sofidel (active in 16 EEA countries), Metsäliitto Osk (active in 11 EEA countries), Industrie Cartarie Tronchetti (active in 4 EEA countries) and Renova (active in 6 EEA countries). See also Tissue producer questionnaire, B.4.

rather than a specific product-country combination. In turn, since the Commission concludes in Section 5.4 below that the Transaction is unlikely to give rise to input foreclosure concerns at this aggregate level, the same conclusion applies *a fortiori* to level of individual tissue products, segments, or EEA countries.

(64) This was confirmed also implicitly by the Commission's market investigation. As explained in paragraph (74) below, a small minority of tissue paper producers expressed concerns regarding the Transaction's possible impact on the market for the supply of BEKP in the EEA. None of these respondents' concerns related to a specific tissue product, segment or country in the EEA, but to their overall BEKP procurement encompassing all of their operations in tissue production. ([87])

(65) On this basis, the Commission will assess the Transaction's potential foreclosure effects by reference to the Target's aggregate position across all tissue paper product markets at EEA level. The Commission notes in this regard that, so far as no foreclosure effects arise at the aggregate level, the same conclusion applies *a fortiori* for each specific product market at national level, for the reasons elaborated above.

5.3. Customer foreclosure

(66) Customer foreclosure may occur if *"the merged entity [can] foreclose access to a sufficient customer base to its actual or potential rivals in the upstream market (the input market) and reduce their ability or incentive to compete"*. ([88])

(67) In the present case, the pre-existing supply relationship between the Parties, which dates back to at least […], renders concerns of customer foreclosure unlikely. In particular, Kimberly-Clark IFP already sources pre-Transaction all of its BEKP requirements in the EEA from Suzano. This supply relationship has existed since at least […], with Suzano covering 100% of Kimberly-Clark's EEA requirements (i.e., across all tissue paper products) in BEKP each year (except for […]). ([89]) […]. ([90])

(68) As a result, the Proposed Transaction cannot lead to the loss of a BEKP customer for suppliers other than Suzano, and the Commission's market investigation confirmed that Kimberly-Clark IFP is not seen by Suzano's competitors as a potential customer. Indeed, all BEKP suppliers who responded to the Commission's questionnaire confirmed that they have not supplied Kimberly-Clark IFP in the EEA in the past five years. ([91]) One BEKP supplier noted that since 2020 it *"has had no contact with Kimberly-Clark"*. ([92]) Another BEKP supplier explained that *"it is widely known that Kimberly-Clark maintains a strong and longstanding supply relationship with Suzano, which has been its primary global supplier for decades (...) Consequently, Kimberly-Clark is not considered a potential customer by [the supplier]"*. ([93]) Suzano's competitors therefore face no risk of reduced sales through a customer foreclosure strategy following the Transaction.

(69) Even if Kimberly-Clark IFP were not already sourcing 100% of its EEA demand in BEKP from Suzano pre-Transaction, it should be noted that Kimberly-Clark

([87]) Tissue producer questionnaire, question E.2.
([88]) Non-Horizontal Merger Guidelines, paragraph 58.
([89]) During this period, Kimberly-Clark Corporation […] and in response sourced […].
([90]) Form CO, paragraphs 345 *et seq.*
([91]) Pulp producer questionnaire, questions D.14.
([92]) Non-confidential version of the minutes of a call with a BEKP producer dated 12 February 2026.
([93]) Non-confidential version of the minutes of a call with a BEKP producer dated 9 March 2026.

IFP represents a small portion of demand, given that it accounts for less than [5-10]% of the BEKP-based downstream tissue markets in the EEA in terms of sales (and less than [0-5]% in terms of capacity). Moreover, BEKP is also widely used by non-tissue paper producers (for example for paper and writing applications), which further reduces the relative importance of Kimberly-Clark IFP as a purchaser of BEKP. All BEKP suppliers notably confirmed that they have access to a sufficiently large base of customers for BEKP without demand stemming from Kimberly-Clark IFP. ([94]) Customer foreclosure concerns would in any event be therefore unlikely to arise.

(70) Accordingly, the Commission concludes that the new entity will not have the ability to substantially foreclose access to customers. Therefore, without the need to assess whether the new entity would have the incentive to do so, and whether a foreclosure strategy would have a significant detrimental effect on competition, the Commission concludes that customer foreclosure is not likely to arise post-Transaction.

5.4. Input foreclosure

(71) Input foreclosure may occur when *"post-merger, the new entity would be likely to restrict access to the products or services that it would have otherwise supplied absent the merger, thereby raising its downstream rivals' costs by making it harder for them to obtain supplies of the input under similar prices and conditions as absent the merger"*. ([95])

5.4.1. Notifying Party's views

(72) The Notifying Party submits that Suzano will not have the ability to foreclose downstream competitors from accessing BEKP, because (i) its upstream position is moderate and multiple alternative suppliers exist across the EEA; (ii) many large customers are not supplied by Suzano; (iii) customers can easily switch between suppliers due to multi-sourcing, limited switching costs, and the commodity nature of BEKP; (iv) BEKP represents a limited share of downstream production costs, restricting any impact of price increases; and (v) customers can substitute BEKP with other fibre types. ([96])

(73) The Notifying Party submits that Suzano will also not have the incentive to foreclose downstream competitors from accessing BEKP, because (i) pulp plants require high utilisation, and Suzano serves a diversified customer base, including many non-tissue producers; (ii) the Target's limited downstream capacity prevents it from capturing significant diverted BEKP sales, while other tissue producers have substantially greater tissue production capacity; (iii) even if Suzano were to constrain BEKP supplies to competitors of Kimberly-Clark IFP, this would result in diversion of Suzano's sales to non-tissue producers which, conversely, would reduce those non-tissue producers' demand from competing BEKP suppliers – hence freeing up BEKP supply capacities for Kimberly-Clark IFP's downstream competitors; and (iv) Suzano has historically continued supplying tissue producers following its acquisition of Kimberly-Clark Corporation's business in Brazil, demonstrating commitment to maintaining existing customer relationships. ([97])

([94]) Pulp producer questionnaire, question D.15.
([95]) Non-Horizontal Merger Guidelines, paragraph 31.
([96]) Form CO, paragraphs 131-137.
([97]) Form CO, paragraphs 138-141 and 205.

5.4.2. Commission's assessment

(74) During the Commission's market investigation, a small minority of tissue producers expressed concerns regarding the Transaction's possible impact on the market for the production and supply of BEKP in the EEA. ([98]) One respondent's concerns related to access specifically to TCF BEKP, which, as explained in footnote 32 above, the Transaction does not have any bearing on as Kimberly-Clark IFP […]. Another respondent did not substantiate its concern. Finally, one respondent who described Suzano as an important supplier of BEKP was specifically concerned about its own access to BEKP, in particular the possibility for the merged entity to limit or degrade access or quality of BEKP or to increase prices. On balance however, based on the elements in the Commission's file and as set out below, it appears that the Transaction will not afford the merged entity the ability or incentive to engage in an input foreclosure strategy.

(75) The Commission notes, as a preliminary remark, that the tissue market segmentations identified in its precedents (notably by product type, brand, or geography) are relevant for a competitive assessment of horizontal effects (which this Transaction does not give rise to) but appear less informative in the context of a possible input foreclosure assessment. As set out in the Non-Horizontal Merger Guidelines, the Commission must take into account of the possibility that *"the merger may merely realign purchase patterns among competing firms"*. ([99]) The Commission's market investigation confirmed that BEKP is a commodity input that can be readily used across different tissue (and non-tissue) applications, across EEA countries, and for both branded and private-label products. Indeed, all tissue paper producers who responded to the Commission's questionnaire indicated that they negotiated one single central supply contract applicable to all of the EEA and for all their uses, ([100]) and similarly all of them confirmed that the price paid for BEKP does not depend on the specific downstream end-use. ([101])

(76) Accordingly, as discussed in more detail in paragraphs (59) *et seq.* above, any input foreclosure strategy targeted at a specific tissue application or country would be likely to result in a reallocation of purchasing patterns among tissue paper producers, rather than a restriction of access to inputs for that particular tissue application or country. It is therefore appropriate, for the purposes of assessing input foreclosure, to conduct the assessment by reference to the merged entity's aggregate position across all tissue paper product markets at EEA level, noting that so far as no foreclosure effects arise at the aggregate level, the same conclusion applies *a fortiori* for each specific product market at national level, for the reasons elaborated in paragraphs (59) *et seq*.

5.4.2.1. Ability to foreclose

(77) The results of the Commission's market investigation suggest that the merged entity would not have the ability to engage in input foreclosure.

(78) *First*, even though Suzano is the largest BEKP supplier worldwide and in the EEA, the Commission's market investigation confirmed that a significant number of competing BEKP suppliers will remain active worldwide and in the EEA post-

([98]) For completeness, no concerns expressed targeted a specific downstream tissue product market. Tissue producer questionnaire, question E.2. Non-confidential version of the minutes of a call with a tissue paper producer dated 30 January 2026.

([99]) Non-Horizontal Merger Guidelines, paragraph 37.

([100]) Tissue producer questionnaire, question D.4.

([101]) Tissue producer questionnaire, question D.7.

Transaction, namely CMPC ([10-20]% share of global BEKP sales in 2024), Bracell ([5-10]]%), Arauco ([5-10]%), UPM ([5-10]%), Eldorado ([5-10]%), Klabin ([0-5]%), Cenibra ([0-5]%), Ence ([0-5]%), Stora Enso ([0-5]%) – all of them active both at EEA and global level. ([102])

(79) In particular, whereas a minority of responding pulp and tissue producers highlighted certain specific characteristics of Suzano (such as high supply security due to its ability to rely on multiple BEKP mills or supply of specific or innovative BEKP grades), ([103]) the majority of pulp suppliers and of tissue producers indicated that Suzano does not have characteristics that competing BEKP suppliers cannot offer. ([104]) In that regard, one pulp producer explained that: *'[we] are producing exactly the same pulp from Eucalyptus with the same technology, so [we] don't see anything that Suzano can offer that we can't in terms of quality*' and another '*There are other suppliers who have significant capacity to supply BEKP and other chemical pulp products*.' ([105])

(80) <u>*Second*</u>, the Commission's market investigation confirmed that the production and supply of BEKP market has been expanding and is continuing to do so, with considerable additional capacity coming online, increasing the availability of alternative sources of supply also in the EEA. As explained in paragraph (83), the additional future capacity is expected to significantly outpace demand growth over the same period.

(81) All pulp producers who responded to the Commission's questionnaire confirmed that capacity had expanded over the past five years, ([106]) and similarly expected further expansion in the next three years. ([107]) For example, one pulp producer remarked that "*large BEKP capacity increases in Latin America in recent years made the market oversupplied, impacting competition in EEA"*. ([108])

(82) This is consistent with third-party industry reports. **<u>Figure 1</u>** below shows recent additions in global BEKP capacity in the 2021-2024 period, indicating that it increased by over 27% in just three years, from 25,880 kt in 2021 to 32,940 kt in 2024.

([102]) Other suppliers include Altri ([0-5]%), April ([0-5]%), Navigator ([0-5]%), IP ([0-5]%), Mondi ([0-5]%), and Sylvamo ([0-5]%).The same conclusion applies at EEA level, where a number of alternative BEKP suppliers remain, including CMPC ([10-20]% share of EEA-wide sales in 2024), Ence ([5-10]%), Stora Enso ([5-10]%), Arauco ([5-10]%), UPM ([5-10]%), Eldorado ([5-10]%), Altri ([5-10]%), Cenibra ([0-5]%), Bracell ([0-5]%), Klabin ([0-5]%), Navigator ([0-5]%), Others ([0-5]%).

([103]) Pulp producer questionnaire, questions D.13 and D.13.1. Tissue producer questionnaire, question D.12. Non-confidential version of the minutes of a call with a tissue paper producer dated 30 January 2026. On innovation, the Notifying Party submits that it does not typically engage in joint R&D activities with customers, but rather supports its customers (such as […]) in improving the efficiency of their downstream operations for instance via Suzano's fibre-to-fibre program aiming at increasing the proportion of hardwood pulp in customers' fibre furnish (Notifying Party's response to RFI 13).

([104]) Pulp producer questionnaire, questions D.13 and D.13.1. Tissue producer questionnaire, question D.12.

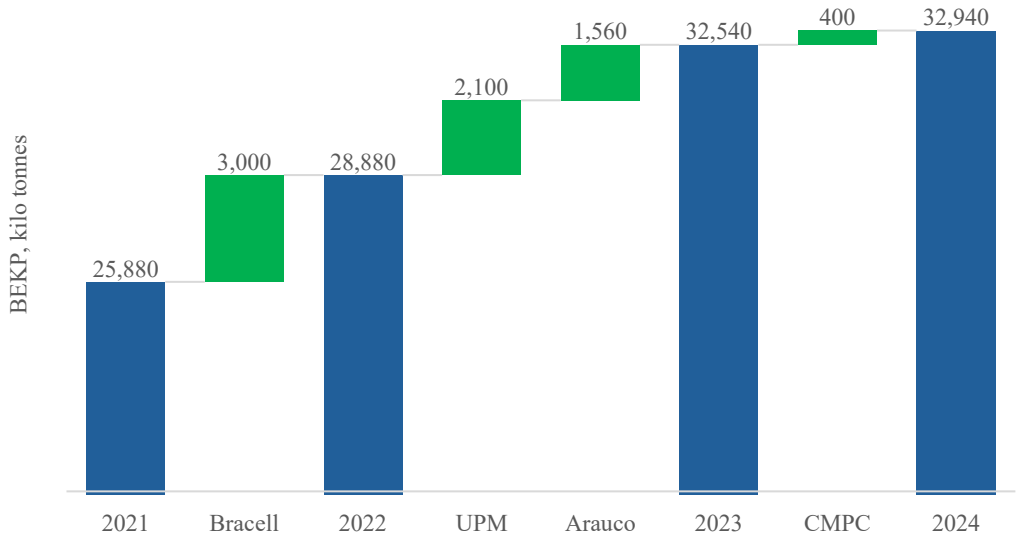
([105]) Pulp producer questionnaire, question D.13.1.

([106]) Pulp producer questionnaire, question D.10.

([107]) Pulp producer questionnaire, question D.11.

([108]) Pulp producer questionnaire, question D.10.1.

Figure 1: Evolution of global BEKP capacity (kt) and main additions, 2021-2024



Source: Commission analysis based on Notifying Party's response to RFI 4, question 12; and Form CO, Annex 8-V (Hawkins Wright "Outlook for Market Pulp, December 2025").

(83) Evidence suggests that this trend is set to continue into at least 2029. In particular, the Commission's market investigation confirmed that at least two significant capacity expansion projects are likely to become operational in a timely manner. Both projects pertain to BEKP suppliers who are already active in the EEA today: ([109])

(a) Arauco's "Sucuriú" project - Arauco is currently constructing the largest BEKP mill in the world. Located in Mato Grosso in Brazil, this mill will add approximately 3,500 kt of capacity, corresponding to an increase of over 10% of the existing global capacity. This additional capacity alone is equivalent to almost […] times Suzano's current supply to all EEA tissue producers combined (around […] kt). Arauco has confirmed that this project is on track to be completed by the end of 2027. ([110])

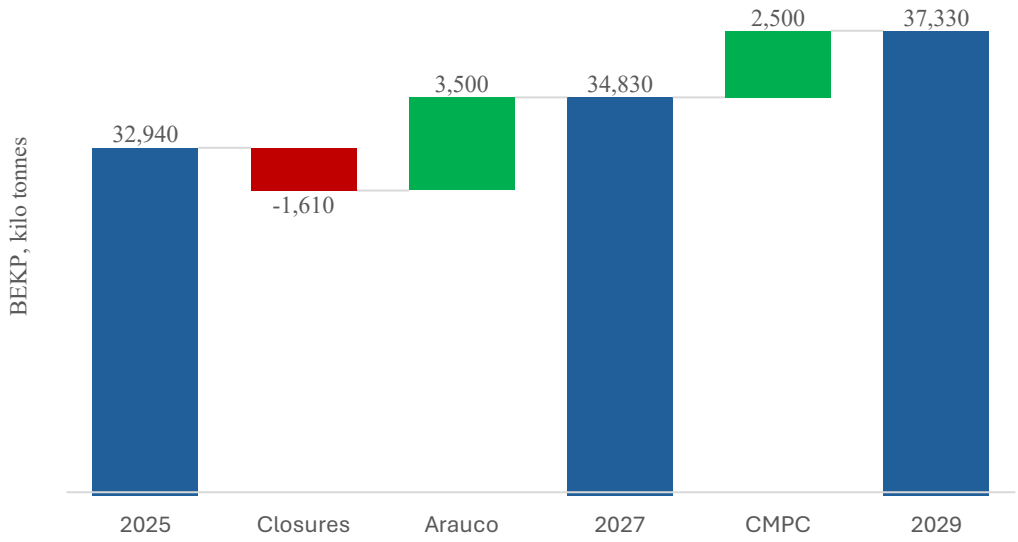
(b) CMPC's "Natureza" project - CMPC has recently announced plans for a second pulp unit. Located in Rio Grande do Sul in Brazil, this mill will add approximately 2,500 kt of capacity, ([111]) corresponding to an increase of 8% of the existing global capacity, and more than […] times Suzano's current supply to all EEA tissue producers combined (around […] kt). CMPC has confirmed that this project is on track to be completed by the end of 2029. ([112])

(84) While one pulp producer noted that part of this capacity may serve to replace *"older and less efficient mills [which] are permanently closed due to technical and environmental constraints",*([113]) third-party industry reports indicate that BEKP capacity closures expected in the coming years will amount to

([109]) Form CO, table 18.
([110]) Non-confidential version of the minutes of a call with Arauco.
([111]) See: https://valorinternational.globo.com/business/news/2024/12/04/cmpc-moves-forward-with-46bn-pulp-mill-project-in-brazil.ghtml (last accessed on 03 April 2026).
([112]) Non-confidential version of the minutes of a call with CMPC.
([113]) Non-confidential version of the minutes of a call with a pulp producer dated 14 January 2026.

approximately 1,610 kt. ([114]) Accordingly, as shown in **Figure 2** below, such closures would only partly offset the additional capacity expected to come online.

Figure 2: Forecasted global BEKP capacity (kt) and main additions, 2025-2029



Source: Commission analysis based on Notifying Party's response to RFI 4, question 12; and Form CO, Annex 8-V (Hawkins Wright "Outlook for Market Pulp, December 2025").

(85) All in all, these two projects alone, neither of which belongs to Suzano and both confirmed to be operational within the next three years, would increase current global BEKP capacity by 13%, even after accounting for possible BEKP capacity reductions. These developments would reduce Suzano's global capacity share from around [30-40]% in 2026 to approximately [30-40]% in 2029. ([115]) This is corroborated by the Commission's market investigation, with one tissue paper producer confirming that *"Arauco and CMPC are installing new pulp production capacity in Brazil, which will increase overall BEKP supply. As additional capacity is imminent, Suzano's relative share within the global BEKP market is expected to decrease proportionally in the next years"*. ([116]) Moreover, this estimate is likely to be conservative, as it excludes several additional Latin American projects that, while still pending final confirmation, are also expected by industry participants to come online in the next three years. These projects could cumulatively add up to an additional 9,400 kt of capacity by 2029. ([117])

(86) In addition to the Latin America-based projects referred to above, the Commission's investigation identified further planned capacity expansions in Asia, accounting for an increase of around 1,550 kt primarily in Asian hardwood

([114]) Notably expected closures/reduction of BEKP output of plants of Altri and Bracell. Form CO, Annex 8-V ([…]), pages 91-93.

([115]) Notifying Party's response to RFI 8.

([116]) Non-confidential version of the minutes of a call with a tissue paper producer dated 12 February 2026.

([117]) Notifying Party's response to RFI 4, question 12, and Form CO, Annex 8-V (Hawkins Wright "Outlook for Market Pulp, December 2025"); which point to projects under development by Bracell (Bataguassu, 2,800 kt), Paracel (Concepción, 2,300 kt), Eldorado (Vanguarda 2.0, 2,200 kt), and Euca Energy (Mato Grosso, 2,100 kt). Several of these projects are considered likely by pulp producers to come online in the next three years, as noted in the pulp producer questionnaire, question D.11.2.

pulp. ([118]) While such pulp (typically a mix of acacia and eucalyptus) is generally not FSC-certified and is therefore not suitable for direct export to the EEA, the Commission understands that it does play an important role in meeting domestic demand in Asian markets, where tissue producers rely more extensively on locally available hardwood species. ([119]) As a result, it appears that some BEKP volumes currently exported from Latin America to Asia are likely to become available for export to other destinations, including the EEA. For example, one pulp supplier noted that *"Hardwood pulp producers are also present in China, and eucalyptus production is expanding not only in LATAM but also in Asia. These developments contribute to the emergence of additional suppliers in the global hardwood pulp market. Indeed, China is making significant efforts to reduce its dependence on pulp imports from LATAM, including by integrating its own pulp production. This would in turn free up LATAM capacity for other regions of the world"*. ([120]) Similarly, another pulp producer explained that *"For many years, China was a net importer of wood pulp due to limited domestic capacities. The Chinese market is however now expanding its own production capacity and is moving toward greater self-sufficiency in wood pulp. A significant number of projects have been announced in China, although their effective realization remains uncertain. Several expansion capacity projects are also underway in South America. This led to a situation of oversupply in the BEKP market"*. ([121])

(87) In this context, it is also relevant to note that BEKP exports to China are predominantly made on a spot basis, in contrast to the EEA where sales are largely governed by long-term contracts. For example, whereas Suzano sold […]. ([122]) […]. This flexibility is reinforced by the size of the Chinese market (kt in 2024), which is almost twice the size of the EEA market ([…] kt) and is largely supplied through imports. ([123]) It appears on this basis that the expected increase of hardwood capacity in Asia, and the higher proportion of spot basis export supply relationships with Asian customers, is likely to translate in lower demand by Asian tissue producers for imported BEKP from outside Asia – which could free up Latin American BEKP volumes for EEA supply and (at least indirectly) contribute to further increasing the availability of BEKP in the EEA in the coming years.

(88) Importantly, the projected increase in supply (at least 6,000 kt from Arauco and CMPC's confirmed projects, with up to a further 9,400 kt from additional Latin American developments, as well as potential volumes released from Asia) is expected to significantly outpace demand growth over the same period. Industry analysis indicates that, over the 2026-2029 period, global BEKP demand is expected to increase by only around 3%, corresponding to an approximately 1,083 kt of additional BEKP demand. ([124]) Likewise, in the EEA, BEKP demand is projected to be broadly stable in these years, with annual growth being no higher than 2% in this period. ([125]) Importantly, these forecasts already take into account fibre-to-fibre substitution, i.e. the possibility for tissue producers to slightly adjust

([118]) Form CO, Annex 8-V, page 90.
([119]) Notifying Party's response to RFI 13, question 2.
([120]) Non-confidential version of the minutes of a call with a pulp producer dated 9 March 2026.
([121]) Non-confidential version of the minutes of a call with a pulp producer dated 12 February 2026.
([122]) Form CO, paragraph 177.
([123]) Form CO, paragraph 182.
([124]) Form CO, Annex 8-VI ([…]).
([125]) Form CO, Annex 8-VI ([…]).

the product composition of the tissue paper by partially substituting softwood pulp with BEKP where softwood prices remain higher.

(89) *Third,* even when considering only currently available spare capacity, the ability to foreclose on any relevant plausible market appears limited. In 2024, the combined BEKP capacity of Suzano's competitors amounted to approximately 22,639 kt. ([126]) Industry reports indicate that between 4% to 5% of this capacity, or roughly 905 to 1,132 kt, is currently spare, ([127]) even after accounting for maintenance downtime. ([128]) This existing spare capacity would therefore be sufficient to largely (if not fully) replace Suzano's entire supply of […] kt to third-party EEA tissue producers. ([129]) ([130]) This estimate is broadly consistent with the results of the Commission's market investigation, as pulp producers who responded to the Commission's questionnaire indicated that, on average, their spare BEKP capacity in 2024 was [0-5]%, even after accounting for maintenance. ([131])

(90) Accordingly, the concerns expressed by one tissue paper producer that most capacity is already fully contracted today, and that it would be difficult to replace Suzano's supplies in the event of a price increase or degradation of supply conditions, ([132]) appear to be overstated. Even in the event that Suzano were to restrict supply to all third-party tissue producers in the EEA, the available spare capacity among competing pulp producers would be sufficient to absorb the affected volumes, which means that Suzano would be unable to negatively affect the overall availability of inputs for competitors in downstream markets where the merging entity would be present. ([133]) This assessment is consistent with the views expressed by market participants, with the vast majority indicating that alternative sourcing options would remain available or that Suzano was not an important supplier for them in the first place. ([134]) For instance, one respondent noted that it *"[…] is not concerned about access to BEKP, as alternative suppliers are available"*, ([135]) and another noting that *"If Suzano were to stop supplying […] or increase prices, […] could switch to other suppliers. While the company considers this scenario very unlikely, even if it occurred, it would not pose a significant problem".* ([136])

([126]) Form CO, paragraph 186.
([127]) *Ibid*.
([128]) The Notifying Party submits that, depending on the age of the manufacturing equipment, BEKP plants reserve 2-8% of annual capacity for maintenance. Industry reports confirm an average maintenance rate of 7% in 2024. In the same year, BEKP plants operated at 88-89% utilisation, implying that 4-5% of capacity was effectively spare (100% - 7% - [88-89%] = [4-5]%). See Notifying Party's response to RFI 13 and Form CO, Annexes 8-V and 8-VI.
([129]) This figure includes all sales to EEA tissue producers except the […] kt supplied to Kimberly-Clark IFP.
([130]) Form CO, paragraph 187.
([131]) Pulp producer questionnaire, question B.2-4. Assuming an average maintenance rate of 7%, such that a capacity utilisation of 93% or above is equivalent to 0% effective spare capacity, on average, pulp respondents in 2024 reported having an effective spare capacity of [0-5]%.
([132]) Non-confidential version of the minutes of a call with a tissue paper producer dated 30 January 2026.
([133]) See Non-Horizontal Merger Guidelines, paragraph 36.
([134]) Tissue producer questionnaire, question D.8.
([135]) Non-confidential version of the minutes of a call with a tissue paper producer dated 28 January 2026.
([136]) Non-confidential version of the minutes of a call with a tissue paper producer dated 12 February 2026.

(91) *Fourth,* the Commission's market investigation confirmed that BEKP is widely regarded as a commodity product with largely standardised characteristics, such that customers typically multi-source and are able to switch between suppliers with relative ease. ([137]) Indeed, the vast majority of tissue paper producers indicated that they do not face significant difficulties in switching volumes to alternative BEKP suppliers when offered more favourable terms. ([138]) For example, one tissue paper producer explained that *"as long as the material has the same quality there are no difficulties in switching to another supplier"* while another confirmed that *"technically suitable BEKP is available, and switching or increasing volumes with certain supplier[s] is possible"*. ([139]) Accordingly, the concerns expressed by one tissue paper producer regarding its overall access to BEKP, ([140]) in light of the significant proportion of its BEKP needs it supplies from Suzano and that therefore switching would be complex and very time consuming, ([141]) appear to be overstated.

(92) *Fifth*, the fact that customers can easily switch, coupled with the availability of alternative capacity, also renders implausible any theory of partial foreclosure. In such a scenario, any attempt by Suzano to worsen supply conditions (*e.g.* by increasing prices or degrading quality rather than refusing supply altogether) would likely lead customers to switch to alternative suppliers, thereby undermining the feasibility of such a strategy. Indeed, when asked how they would react to a hypothetical scenario where Suzano would increase BEKP prices post-Transaction, tissue paper producers explained that they would *"not accept such increase[d] prices for BEKP"*, would *"discard them [Suzano] as a supplier"* or that *"volumes contracted with Suzano will be substituted by other producers"*. ([142])

(93) It follows from the above that the Transaction is unlikely to afford the merged entity the ability to engage in an input foreclosure strategy.

5.4.2.2. Incentive to foreclose

(94) In the absence of the ability of the merged entity to engage in input foreclosure, it is not necessary to assess whether it would have the incentive to do so. In any event, for the reasons set out below, the Commission considers that it is unlikely that the merged entity would have an incentive to engage in such a strategy.

(95) *First,* according to the Non-Horizontal Merger Guidelines, the key test in determining an incentive to foreclose is *"the degree to which foreclosure would be profitable"*. ([143]) In this respect, the Commission's market investigation indicated that, while most BEKP mills operate with some spare capacity, pulp production is more efficient when operating at high utilisation rates (typically above 90%). Reducing output below this threshold would therefore be costly for Suzano and would directly affect its profitability. For example, one pulp producer confirmed that *"the pulp market remains highly competitive, making low*

([137]) Kimberly-Clark IFP appears to be an outlier in this regard, having maintained a long-standing […] relationship with Suzano over the past […].
([138]) Tissue producer questionnaire, question D.11.
([139]) Tissue producer questionnaire, question D.11.1.
([140]) The concerns expressed by this tissue producer were general and did not target a specific downstream tissue product market.
([141]) Non-confidential version of the minutes of a call with a tissue paper producer dated 30 January 2026.
([142]) Tissue producer questionnaire, question D.10.
([143]) Non-Horizontal Merger Guidelines, paragraph 40.

production costs a key factor for long-term viability. Producers seeking to remain active in the industry must operate very low-cost pulp mills, which requires operating mills ideally at 90% capacity". ([144]) This constraint effectively limits the merged entity's incentive to significantly restrict supply. ([145])

(96) *Second,* the Non-Horizontal Merger Guidelines indicate that the incentive to foreclose is reduced when the merged entity's downstream presence is limited and when the downstream entity is capacity-constrained. ([146]) In the present case, Kimberly-Clark IFP's share of downstream BEKP-based tissue production capacity in the EEA is below [0-5]% (representing approximately […] kt out of […] kt), ([147]) indicating a limited downstream presence. Even though the Target has high market shares in some narrower downstream markets, the Target's capacity on the overall market for the production and supply of tissue paper products in the EEA is the appropriate reference frame for assessing the Target's capacity to expand output. This is because the different downstream tissue paper products are variations of tissue made at the same mills and using the same inputs and converting equipment ([148]) – which means that it would not be informative to assess the Target's capacity constraints on the basis of narrower downstream product markets. The Target's EEA plants are currently operating at around […]% of capacity. Assuming that these plants would operate at full capacity, this would generate only an additional […] kt of output, representing less than [0-5]% of total EEA capacity. As a result, the merged entity would have limited ability to internalise any diverted demand in the event of foreclosure of competing tissue producers.

(97) *Third,* while margins are only one element of a holistic assessment, the Non-Horizontal Merger Guidelines indicate that the profitability of foreclosure depends, *inter alia*, on the trade-off between upstream and downstream profits. ([149]) According to the Notifying Party, Suzano's upstream gross profit margin in 2024 was […]%, while Kimberly-Clark's downstream gross profit margin in the same year was […]%. Interpreted as return on invested capital, this indicates that the upstream BEKP activity yields a higher profit per euro of capital employed than downstream tissue production.

(98) The picture appears different when assessed on a per-unit output basis. As shown in **Table 4** below, while Suzano's gross margin per tonne of BEKP supplied is […], Kimberly-Clark's gross margin per tonne of BEKP purchased is […]. However, while downstream production generates a higher absolute margin per unit sold, it requires substantially greater capital (Suzano's costs per tonne of BEKP are […], while Kimberly-Clark's costs are […]).

Table 5: Parties' gross profit margins per tonne of BEKP supplied/purchased, 2024

Metric	Suzano	Kimberly-Clark
Revenue	[…]	[…]
Cost	[…]	[…]

([144]) Non-confidential version of the minutes of a call with a BEKP producer, 9 March 2026.
([145]) Including as regards the narrower downstream markets, for the reasons explained in paragraphs (56)-(65).
([146]) Non-Horizontal Merger Guidelines, paragraph 48.
([147]) Form CO, tables 12 and 36.
([148]) Form CO, paragraph 438.
([149]) Non-Horizontal Merger Guidelines, paragraph 41.

Gross profit	[…]	[…]
Gross profit margin	[…]%	[…]%

Source: Notifying Party's response to RFI 12, question 2.

(99) On this basis, it appears that for it to be profitable for Suzano to foreclose the […] kt it supplies to third-party tissue producers in the EEA, ([150]) it would have to produce and sell an additional […] to […] kt tissue downstream. This would require more than […] Kimberly-Clark IFP's existing production capacity, which would require new greenfield investments of nearly […] according to the Notifying Party. […] production capacities would require the purchase of […] tissue machines, […] rewinders and reel stores, […] converting lines, land across […], roadways and utility connections to the new sites, as well as […]. The Notifying Party submits that such extensive capacity expansion would likely require […] to be completed, including at least […] to find suitable locations and at least […] to design and construct the new greenfield sites. ([151]) In this respect, the internal documents reviewed by the Commission confirm that Kimberly-Clark does not frequently expand its tissue production facilities in the EEA, […]. ([152]) […]. ([153])

(100) *Fourth*, the Non-Horizontal Merger Guidelines also stipulate that *"In its assessment of the likely incentives of the merged firm, the Commission may take into account various considerations such as the ownership structure of the merged entity, the type of strategies adopted on the market in the past, or the content of internal strategic documents such as business plans"*. ([154]) In this respect, it should be noted that at least initially, ([155]) the Transaction is structured such that Suzano will hold only 51% of Kimberly-Clark IFP. As a result, for every EUR 1 of revenue sacrificed upstream, Suzano would be able to recapture, at most, EUR 0.51 downstream.

(101) *Fifth,* with respect to the type of strategies adopted on the market in the past, the Commission reviewed internal documents that suggest that, in a recent comparable transaction involving Suzano's acquisition of Kimberly-Clark Corporation's operations in Brazil in 2023, Suzano continued to supply BEKP to competing tissue producers. ([156]) For example, **Figure 3** below is part of a presentation to Suzano's board on 11 July 2023 and shows that Suzano's share of the retail tissue market in Brazil was [20-30]% in 2023 (when it acquired Kimberly-Clark Corporation's operations in Brazil) and […] to [20-30]% in February 2026. This suggests that, in Brazil, Suzano did not (and certainly not

([150]) For the reasons explained in paragraphs (59)-(64), a strategy of foreclosure of specific tissue paper product markets in a given country would not be feasible.
([151]) Notifying Party's response to RFI 11.
([152]) Notifying Party's response to RFI 12.
([153]) Form CO, paragraph 487.
([154]) Non-Horizontal Merger Guidelines, paragraph 45.
([155]) The Commission notes that Suzano's call option to acquire the remaining shares of the Target, can be exercised already within three years post-closing in the exceptional situation of Kimberly-Clark Corporation vetoing the Target entering into a strategic alliance/partnership entailing an additional equity investment requirement (see paragraph (4)). In this scenario, the ownership structure of the Target and the profit split would obviously be altered, but the remaining arguments on the absence of input foreclosure concerns would remain valid.
([156]) Form CO, paragraph 205, where the Notifying Party submits that it continued to supply BEKP at market conditions to Brazilian downstream tissue producers such as […].

successfully) pursue a strategy of foreclosing downstream competitors following its vertical integration into the tissue business.

Figure 3: Value share of retail tissue in Brazil, 2022-2026

[…]

Source: Form CO, paragraph 65; Notifying Party's response to RFI 11, paragraph 32. Based on […].

(102) It follows from the above that the Transaction is unlikely to afford the merged entity either the ability or incentive to engage in an input foreclosure strategy.

5.4.2.3. Impact of foreclosure

(103) In the absence of the ability (and incentive) of the merged entity to engage in input foreclosure, it is not necessary to assess what the impact of any such strategy would be. In any event, for the reasons set out below, the Commission considers that any attempted foreclosure strategy is unlikely to lead to significant harm to effective competition.

(104) In particular, according to the Non-Horizontal Merger Guidelines, *"significant harm to effective competition normally requires that the foreclosed firms play a sufficiently important role in the competitive process on the downstream market"*. ([157])

(105) Based on the available data, total BEKP demand in the EEA amounted to approximately […] kt, while Suzano's BEKP supply to the EEA totalled around […] kt. ([158]) This implies that around [60-70]% of demand is supplied by alternative sources and would remain unaffected. When focusing on BEKP used for tissue production, EEA demand in 2024 amounted to approximately […] kt, with Suzano supplying around […] kt to third-party tissue producers. ([159]) Accordingly, approximately [70-80]% of demand would continue to be served by other suppliers. On that basis, a substantial part of the market would remain unaffected by the Transaction.

(106) Furthermore, the Non-Horizontal Merger Guidelines also stipulate that any assessment must also take into account *"countervailing factors such as the presence of buyer power or the likelihood that entry upstream would maintain effective competition […] [as well as] efficiencies substantiated by the merging parties"*. ([160])

(107) The Commission notes that, as already explained in paragraphs (84) - (85), there are substantial BEKP capacity expansions planned in Latin America, that would increase global BEKP capacity by up to 13% within the next three years. Furthermore, as already explained in paragraph (86), evidence from the Commission's investigation points to additional capacity also being developed in Asia, which cannot supply the EEA directly due to environmental certification requirements, but is likely to free up Latin American volumes for EEA supply, as domestic Asian tissue producers would no longer need these volumes.

(108) Taken together, these developments suggest that sufficient credible upstream supply is likely to remain available to downstream tissue producers, constraining

([157]) Non-Horizontal Merger Guidelines, paragraphs 42-43.
([158]) Form CO, Annex 8-I-a; Notifying Party's response to RFI 9.
([159]) Form CO, table 8 and paragraph 168.
([160]) Non-Horizontal Merger Guidelines, paragraphs 51-52.

the merged entity and indicating that any attempted foreclosure would be unlikely to materially harm competition in the EEA.

(109) In light of the above considerations and based on the results of the market investigation, the Commission concludes that the Transaction will not significantly impede effective competition by foreclosing the Target's competitors from their access to BEKP. This conclusion applies both with regard to the merged entity's aggregate position across all tissue paper product markets at EEA level, as well as to each of the individual product markets identified in Section 4.2.1.1 at national level.

5.5. Access to commercially sensitive information

(110) The Non-Horizontal Merger Guidelines also note the possibility that, by vertically integrating, the merged entity may gain access to commercially sensitive information on the upstream or downstream activities of non-integrated rivals. ([161]) In the present case, a tissue producer competitor raised concerns during the market investigation that Kimberly-Clark IFP could gain access to commercially sensitive information of rival tissue producers via Suzano's upstream supply relationships. ([162])

5.5.1. Notifying Party's views

(111) The Notifying Party submits that, even if the Transaction were to give rise to concerns regarding access to commercially sensitive information, the merged entity would neither have the ability nor the incentive to use such information to distort competition in downstream tissue markets. In particular, any information available to Suzano through its upstream supply relationships is limited to standard supplier-customer data (such as input prices, volumes and product specifications) and does not extend to downstream production, costs, pricing or commercial strategies of tissue producers. The Notifying Party further submits that such information represents only a limited share of customers' overall cost base and would not provide a meaningful competitive advantage downstream. Lastly, the Notifying Party submits that […] and will therefore not have access to information regarding Suzano's customers. ([163])

5.5.2. Commission's assessment

(112) For the reasons set out below, the Commission considers that it is unlikely that the merged entity would have the ability or incentive to hypothetically use commercially sensitive information of rival tissue producers to the detriment of downstream competitors or consumers. In this respect, the Commission notes that several of the considerations set out in the previous section on input foreclosure are also relevant for the present assessment.

([161]) Non-Horizontal Merger Guidelines, paragraph 78.
([162]) Non-confidential version of the minutes of a call with a tissue paper producer dated 30 January 2026.
([163]) Notifying Party's response to RFI 14.

5.5.2.1. Ability to use commercially sensitive information

(113) *First*, the Commission has found that the […]. ([164]) The Commission notes that access to commercially sensitive customer information within Suzano is already today subject to internal organisational limitations, […]. ([165])

(114) *Second*, the Commission notes that in any event, the nature and scope of the information available to Suzano through its upstream supply relationships appears limited. As regards the information to which Suzano does have access, this is confined to input-related parameters such as BEKP supply prices, volumes and product specifications. In this respect, the Commission notes that BEKP is a commodity product traded in a relatively transparent market, where price developments are widely tracked through publicly available benchmarks and industry indices, and where prices in principle do not materially differ across customers for comparable grades. Accordingly, such information is unlikely to provide a meaningful competitive advantage. By contrast, Suzano will not have access to downstream production costs, product mix, final pricing or commercial strategies of competing tissue producers, ([166]) which would be more relevant for a hypothetical strategy of disadvantaging downstream competitors.

5.5.2.2. Incentive to use commercially sensitive information

(115) *First*, the Commission considers that the merged entity would not have the incentive to use any commercially sensitive information to disadvantage downstream competitors. Any such strategy would risk undermining Suzano's upstream supply relationships with a broad base of tissue producers, who could respond by switching to alternative suppliers. As set out in Section 5.4.2.2, the production and supply of BEKP market is characterised by high utilisation rates which effectively limit the merged entity's incentive to significantly restrict supply. In addition, the Commission notes that Kimberly-Clark IFP holds only a very limited position in the overall EEA tissue market (less than [0-5]% of capacity), which further reduces any incentive to engage in such a strategy, as the merged entity would have limited ability to internalise any potential gains downstream. This is reinforced by the fact that Kimberly-Clark IFP's last significant capacity expansion in the EEA dates back to […], further limiting its ability to capture any diverted demand.

(116) *Second*, the Commission notes that vertical integration between BEKP supply and downstream tissue production is not specific to the Transaction. At least five existing BEKP suppliers are already vertically integrated and collectively account for a moderate share of BEKP supply (approximately [30-40]%). Notwithstanding this, downstream tissue producers continue to source from these integrated suppliers in the ordinary course of business, which indicates that market participants do not consider that such supply relationships give rise to a credible risk of misuse of commercially sensitive information.

(117) In conclusion, in view of the reasons set out above, the Commission finds that the concentration does not raise serious doubts as to its compatibility with the internal market based on access to commercially sensitive information.

([164]) Notifying Party's response to RFI 15. […] entered into as part of Suzano's collaborations with tissue producers, such as the fibre-to-fibre programme mentioned in footnote 104.

([165]) Notifying Party's response to RFI 15.

([166]) Notifying Party's response to RFI 14.

6. CONCLUSION

(118) For the above reasons, the European Commission has decided not to oppose the notified operation and to declare it compatible with the internal market and with the EEA Agreement. This decision is adopted in application of Article 6(1)(b) of the Merger Regulation and Article 57 of the EEA Agreement.

For the Commission

(Signed)
Teresa RIBERA
Executive Vice-President