

20 May 2021

**Assa Abloy New Zealand Limited / NZ Fire Doors Limited
Cross-Submission by Assa Abloy New Zealand on submissions received on the Statement of Preliminary Issues**

1. Introduction

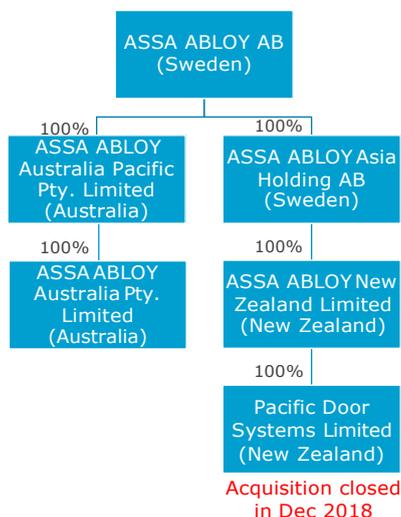
1.1 This submission is made in response to submissions to the Commerce Commission (**Commission**) by Dormakaba Group (**Dormakaba**) published on 30 April 2021 and Allegion (New Zealand) Limited (**Allegion**) published 3 May 2021 (collectively referred to as **Hardware Submissions**) in relation to proposed acquisition of NZ Fire Doors Limited (**NZFD**) by Assa Abloy New Zealand Limited (**Assa Abloy NZ**) (**Proposed Transaction**).

1.2 The Hardware Submissions contain allegations that are not true or are misleading and paint a misleading picture about the nature of competition in the markets for the supply of commercial doors, fire doors and commercial door hardware. Assa Abloy NZ responds to each allegation in detail below.

2. The Proposed Transaction will not give rise to any ability or incentive for Assa Abloy NZ to foreclose competition in the supply of commercial door hardware

2.1 The Hardware Submissions allege that Assa Abloy NZ will have both the ability and incentive to foreclose competition in relation to the supply of commercial door hardware as a consequence of its participation in the commercial door market and the participation of other Assa Abloy Group companies in the market for commercial door hardware (Assa Abloy NZ) and the manufacture and supply of fire door cores (Assa Abloy Australia Pty Limited, through its Pyropanel division)¹.

2.2 The current ownership structure of Assa Abloy NZ and Assa Abloy Australia Pty Limited is:



Note: () being country of incorporation.

2.3 It is alleged that this foreclosure is likely because:

¹ Assa Abloy Australia Pty Limited (**Assa Abloy Australia**), through a wholly owned subsidiary (originally called Project 4Moon Pty Limited, and subsequently renamed Pyropanel Developments Pty Limited), acquired the Pyropanel intellectual property and other assets from the original Pyropanel Developments Pty Limited in 2006. The Pyropanel operations and assets were transferred from that subsidiary to Assa Abloy Australia in late 2020 and the subsidiary was deregistered in January 2021.

- (a) end-customers select fire doors (for example, by competitive tender) before sourcing associated hardware. The selection of the supplier of fire doors, not hardware, is therefore the primary procurement decision by customers;²
- (b) Assa Abloy NZ does not allow competing hardware to be used or tested on its doors. ³There has been a blanket refusal to test or approve new door furniture for installation on Pacific Doors' fire door range;⁴ and
- (c) fire door manufacturers are the “*gatekeepers*” of the market for the supply of hardware for fire doors.⁵

Customers typically choose hardware before selecting door supplier

- 2.4 The submission that end-customers select fire doors before sourcing associated hardware is misleading. It misrepresents how the fire door and hardware markets operate in practice. It is standard practice in the construction industry for the architect to make decisions on the type and brand of hardware that will be used in a project well before the fire door supplier is awarded the contract.
- 2.5 For this reason, a supplier of fire doors must ensure that the widest possible range of hardware is approved for use on its doors. It will otherwise be excluded from participation in tenders where non-approved hardware is specified.
- 2.6 The market for fire doors, and the selection and procurement of fire doors and hardware for projects, is complex. Assa Abloy NZ describes below what it considers to be the most common process for the selection and procurement of fire doors and hardware for large construction projects:
- (a) the architect prepares the plans and specifications for the project. As part of this process, the architect (together with the end customer) makes a number of key design decisions, including the types and brands of door hardware to be used.⁶ The specifications usually include a selection of different types and brands of hardware – that is, the architect does not usually require that all hardware is of the same brand. As discussed further below, the specifications will also specify the types of doors to be used in the project;
 - (b) the architect prepares or obtains from the relevant hardware supplier/s a schedule of the selected hardware and this is provided to the construction company to include in the tender documentation. The schedule is typically obtained from a wholesale hardware distributor or directly from the hardware manufacturer;
 - (c) an invitation or request to tender or quote is issued for the supply of doors (not just fire doors) for the project. The invitation includes the architectural drawings and specifications, including the schedule of selected hardware which specifies the type and usually the brand of hardware to be used in the project, and a door schedule which specifies the type of doors to be used in the project. In about half of all projects, the brand of door is specified in the door schedule with the words “*or equal or approved*”. This means that, while a door supplier has been specified, it does not mean that they will win the project if another supplier can supply equivalent product at a better price. The brand of hardware is specified in the specifications more often than the brand of door is specified. **Confidential Exhibit 1** contains:

² Dormakaba Submission (**Dormakaba**) at [13] and [25(c)(ii)].

³ Allegion Submission (**Allegion**) [17], Dormakaba [2].

⁴ Dormakaba [16].

⁵ Dormakaba [12], Allegion [16].

⁶ Door hardware comes in different designs and have different features, and for this reason the selection of door hardware is often a key design decision. This is compared to the door leaf, which does not usually have distinguishing visual features.

- (i) examples of several invitations to tender received by Pacific Doors and the hardware schedules included in the tender documentation for several recent projects;
 - (ii) an example of two invitations to tender in native format with links to access or download the full tender documentation. The tender invitation, hardware schedule and door schedule are also provided separately for ease of reference;
- (d) door suppliers respond with their tender or quote for the project. If the hardware schedule includes hardware that is not approved for use on any of the door supplier's fire doors, this is typically noted in the tender response together with an alternative/s which is/are approved for use on the door supplier's fire doors;
- (e) the construction company awards the contract to a door supplier. If the construction company has selected door hardware which is not approved on some of the door supplier's fire doors, the selected door supplier explores with the customer whether alternative approved hardware or an alternative door which has the required hardware approved for use can be used instead;
- (f) if the customer does not wish to use alternatives, the door supplier will typically seek to have the required hardware tested and approved for use on the required door. For example, Pacific Doors was the successful door supplier for the [] but the customer wanted to use Dormakaba's [] on one of its fire doors. As this product had not previously been tested with the selected Pacific Doors' door [] and the customer did not want to use any alternatives, Pacific Doors contacted Pyropanel Developments Pty Limited⁷ (**Pyropanel Developments**) to arrange for the Dormakaba product to be tested with the required door. The test was successful and the Dormakaba product is now approved for use on that door; and
- (g) the construction company then tenders for the supply and install of the selected door hardware. Hardware distributors usually tender for this as they supply installation services and can generally supply the selected hardware which they acquire from a range of manufacturers.
- 2.7 There may be deviations from this typical process depending on the customer or the project type or size. For smaller projects, tendering/quoting for doors and the supply and install of hardware often occurs at the same time and customers may prefer to acquire both the hardware and doors from a single supplier. Architects may also not specify the brand of hardware on projects that only require standard hardware where there is little difference between the various brands, or may specify the brand of fire door to be used on some projects in addition to specifying the brand of hardware. While rare, customers on larger projects may also request bundled pricing for both doors and hardware (discussed further below).
- 2.8 Assa Abloy Australia and Pacific Doors are both incentivised to ensure the widest possible range of hardware is approved for use on their doors because typically, and particularly for high value projects, the architect or end customer specifies the choice of hardware. If the hardware selected for a project is not approved for use with their doors and the architect or end customer was not willing to consider alternatives, Pacific Doors (and other Pyropanel licensees in both Australia and New Zealand) would be foreclosed from supplying the relevant doors for that project. For example, the selected hardware for the [] was Allegion hardware. Had the selected Allegion hardware not been approved for use on Pacific Doors' fire doors, Pacific Doors would not have been able to supply that project. A copy of the tender documentation for that project is included in Confidential Exhibit 1.

⁷ As explained in fn 1, the Pyropanel business was operated by Pyropanel Developments Pty Limited, a subsidiary of Assa Abloy Australia, until late 2020.

Assa Abloy NZ cannot and does not refuse to allow testing of Pacific Doors' doors with competitor hardware

- 2.9 The allegations made by Allegion and Dormakaba that Assa Abloy NZ refuses to allow competitor hardware to be tested and approved with Pacific Doors' fire doors are false. We note that despite the very serious nature of these allegations neither submitter has provided any evidence to the Commission in support.
- 2.10 Pacific Doors refers all requests it receives for testing of hardware to be used on doors with a Pyropanel core to Assa Abloy Australia, which arranges testing and assessments to be carried out by independent laboratories. Assa Abloy Australia does not conduct tests or assessments itself as it does not have the requisite qualifications or credentials.
- 2.11 Pacific Doors has never refused to refer a request it has received for testing or assessment to Assa Abloy Australia (or Pyropanel Developments, prior to late 2020). It has also never refused to arrange for a test or assessment to be undertaken on its non-Pyropanel fire doors where the hardware provider has agreed to meet the cost of the test or assessment. If Pacific Doors requests the test or assessment it will typically meet 50% of the costs.
- 2.12 Pacific Doors has no incentive to refuse to arrange testing, or to make testing difficult. It is in its interests for its doors to be tested with as many hardware products as possible so that it can maximise its participation in tenders, and sales. **Confidential Exhibit 2** includes examples of typical communications received by Pacific Doors in relation to testing and approval of hardware products.
- 2.13 The Pyropanel division of Assa Abloy Australia treats all hardware companies, including Assa Abloy Group companies, equally. It has never, to Assa Abloy NZ's knowledge, refused any request by another hardware company to test its hardware with a Pyropanel door. Assa Abloy NZ and Pacific Doors have no knowledge of Assa Abloy Australia's (or, before late 2020, Pyropanel Development's) testing activities other than those that have been referred to it by Pacific Doors. Neither Assa Abloy NZ nor Pacific Doors has any influence over or control over the Pyropanel division's business activities.
- 2.14 For the purpose of responding to the Hardware Submissions, Assa Abloy NZ asked Assa Abloy Australia to provide it with details of hardware the Pyropanel business had arranged to be tested or assessed and approved for use with Pyropanel doors sold in New Zealand. Table 1 below shows the total number of approvals of hardware for use on Pyropanel doors supplied in New Zealand since 2017.
- 2.15 There are currently [] Allegion Group hardware products and [] Dormakaba Group hardware products approved for use with doors supplied by Pacific Doors. Allegion has had [] products and Dormakaba [] products approved in the period 2017 to 2020. In addition, an addition [] products are currently in the process of being tested or assessed for approval for each of them.

Table 1: Number of approvals on Pyropanel doors supplied in NZ by year

⁸ Vingcard is part of the Assa Abloy Group. It supplies specialist hotel locking systems.

2.16 The allegation in the Hardware Submissions that Assa Abloy NZ does not allow competing hardware to be used or tested on its doors is clearly refuted by these figures. Dormarka's allegation that there has been a blanket refusal to its requests to have new door furniture approved for installation on Pacific Doors' fire door range is plainly false.

2.17 Allegion and Dormakaba have purported to provide 'examples' of Assa Abloy NZ refusing to allow hardware to be used or tested on Pacific Doors' fire doors. We respond to each of these below:

Roller catches

(a) Allegion has alleged that Assa Abloy NZ does not allow competing roller catches to be used or tested on Pacific Doors' doors.¹² This example is false and misleading. While it is correct

⁹ Exidor is part of the Assa Abloy Group. It is a UK-based hardware business and was acquired by the Group in late 2018.

¹⁰ As explained earlier, Pyropanel is a division of Assa Abloy Australia.

¹¹ agta record is part of the Assa Abloy Group. It is a Swiss company which supplies door automation products. A majority stake in agta record was acquired by the Group in August 2020.

¹² Allegion Submission at [17].

that the only roller catch that has been approved as the primary latch¹³ for use with certain Pyropanel doors (namely 60-minute plus fire doors) is the UDM Roller Catch Double Action (the **UDM Roller Catch**), Assa Abloy Australia has informed Assa Abloy NZ that it has not, to its knowledge, received any requests for other roller catches to be tested or approved on those doors.

- (b) Several roller catches have been tested and approved on other 30-minute Pyropanel fire doors that have been developed specifically for the New Zealand market. The Kevdon Roller latch and Legge Erebus 1511 roller catch, both of which are Allegion products, are approved for use on those doors.
- (c) Allegion refers to the Legge 15211 Heavy Duty Roller Catch (**Legge Roller Catch**) as being “*equivalent*” to the UDM Roller Catch.¹⁴ However, these products have significant differences. The UDM Roller Catch features a special piece of metal that, when it heats up in a fire, bends into the body of the latch locking the bolt in place so it can no longer retract. This means the bolt remains engaged in the strike plate in the frame during a fire. The Legge Roller Catch does not have this feature, which means that when the door starts moving (bowing) due to a fire, the roller bolt will retract and allow the door to open. Because of this, Assa Abloy NZ believes that a door set which uses the Legge Roller Catch would not pass the required testing standard for fire doors with a fire rating of 60 minutes or more in any event.
- (d) Allegion alleges that the price for the UDM Roller Catch is nearly ten times higher than the price for the Legge Roller Catch (\$306 versus \$34). It quotes a price from Sopersmac, a large hardware distributor, whereas Pacific Doors’ list price for the UDM Roller Catch and strike plate is \$128 (plus GST). However, and more importantly, the comparable products to the Legge Roller Catch are Assa Abloy NZ’s Lockwood 7580SC heavy duty roller catch which retails for approximately \$34¹⁵ and Dormakaba’s RB111 roller catch which retails for around \$36¹⁶ (neither of which have been tested or approved for use as a primary latch on Pyropanel doors).

Swing door operators and new door furniture.

- (e) Dormakaba alleges that there has been a blanket refusal of its requests to have its ED100 and ED250 swing door operators and new door furniture approved on Pacific Doors’ fire doors since the acquisition of Pacific Doors by Assa Abloy NZ.¹⁷ As Table 1 shows, this statement is false and misleading; between 2018 and 2020 [] Dormakaba products received approval and a further [] products are currently being tested and/or assessed.
- (f) Dormakaba’s ED100 and ED250 swing door operators are approved for use on Pyropanel doors, but only when the door is mounted to a concrete or masonry wall. It is not unusual for products to only pass testing under certain conditions, and therefore for their certification to be conditional on those conditions being replicated in the real world. The Assa Abloy Group’s equivalent product, the Lockwood 8002 series, is also only approved for use on Pyropanel doors when mounted to a concrete or masonry wall.

¹³ Dormakaba’s RB111 Roller Catch is approved for use on certain Pyropanel doors as a secondary latch, which means that the door set must have another lock or latch on the door in addition to the roller catch. See <https://www.sopersmac.co.nz/View-A-Product/Latches/Dormakaba-RB111-Roller-Catch/id/27719>

¹⁴ Allegion Submission at [17].

¹⁵ See <https://www.nzhardware.co.nz/product-group/26527-lockwood-7580sc-heavy-duty-roller-catch-satin-chrome/category/824-roller-bolts>. Assa Abloy NZ notes that its Lockwood product looks visually different to the Legge Roller Catch but performs in a similar way.

¹⁶ See <https://www.sopersmac.co.nz/View-A-Product/Latches/Dormakaba-RB111-Roller-Catch/id/27719>. As explained above, the RB111 roller catch has been approved for use as a secondary latch on certain Pyropanel doors.

¹⁷ Dormakaba Submission at [16].

Fire door manufacturers are not the “gatekeepers” of the hardware market for fire doors

- 2.18 It is clear from the matters discussed in 2.3 to 2.16 above that the allegation that door manufacturers control the hardware market because they decide unilaterally which hardware products they will allow to be tested and approved for use with their products is not supported by the evidence.
- 2.19 It would also be irrational for a door manufacturer to act in the manner alleged. Fire door manufacturers need to have the widest possible range of hardware approved on their doors to meet the requirements of as many projects as possible. Their incentives are the reverse of what is alleged. This is plainly demonstrated by the evidence in Confidential Exhibit 2 which shows that, contrary to the Hardware Submissions, Pacific Doors and the Pyropanel division of Assa Abloy Australia assists hardware companies to get their hardware approved.

Tying/bundling

- 2.20 Allegion submits that vertically integrated suppliers can exclusively tie their hardware to their commercial doors¹⁸ and alleges that Pacific Doors has been bundling doors and hardware together in response to significant commercial tenders since July 2019. This submission is misleading.
- 2.21 The Assa Abloy Group has no ability to exclusively tie its hardware to the sale of Pacific Doors’ doors. Most of Assa Abloy Group’s sales of commercial hardware in New Zealand are made by third party wholesale hardware distributors, including Sopersmac, James Bull and Hardware Direct, who sell to construction companies and door manufacturers. The remainder of Assa Abloy Group’s commercial door hardware sales are to retailers (such as Placemakers and ITM) and locksmiths. Assa Abloy Group does not have any control over its distributor’s sales strategies or terms of supply.
- 2.22 Nor does the Assa Abloy Group have an incentive to tie its hardware to those doors, for the reasons outlined earlier in this submission.
- 2.23 Dormakaba is correct that Pacific Doors has previously offered bundled pricing for doors and hardware in response to large commercial tenders, but this is uncommon. Since 2015, Pacific Doors has offered bundled pricing on only [] occasions for very large commercial projects; significantly [] of these were tendered prior to Assa Abloy NZ’s acquisition of Pacific Doors.¹⁹
- 2.24 For each of these projects, Pacific Doors offered a package price for the doors, hardware and installation. It subcontracted the supply of the majority of the selected hardware to [] which also provided installation services for those projects. As explained at paragraph 5.38 of the Clearance Application, fire door hardware must be installed on site by an experienced installer to ensure that it is fitted correctly and in accordance with the fire-rating standards and certification. These installation services are usually supplied by distributors. None of Assa Abloy NZ, Pacific Doors and NZFD supply hardware installation services and therefore need to outsource these services like any other fire door company.
- 2.25 For each of the projects in which Pacific Doors offered a package price, some of the selected hardware was acquired directly from the hardware manufacturers, []

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- 2.26 Pacific Doors’ ability to offer bundled pricing is independent of its acquisition by Assa Abloy NZ, and Assa Abloy NZ’s acquisition of NZFD will not give the merged entity an increased ability to offer bundled pricing. Any door company can offer a package price for doors, hardware and installation by

¹⁸ Allegion Submission at [16].

¹⁹ The projects were the []

sub-contracting the hardware and installation to wholesale distributors of hardware or acquiring the hardware direct from the manufacturer as Pacific Doors has done.

3. The Proposed Transaction will not result in the merged entity being in a dominant position

3.1 Allegion alleges that Assa Abloy NZ's acquisition of NZFD will put the company in a dominant position in the commercial door market.²⁰ In particular, it alleges that:

- (a) Pacific Doors and NZFD are the “*two main players*” in the national commercial door market;²¹
- (b) following the acquisition, Assa Abloy NZ would have a significant degree of control over Best Doors and Doors'n'More;²² and
- (c) Assa Abloy NZ's ownership of Pyropanel would make it difficult for potential competitors to acquire this key input.²³

3.2 We respond to each of these allegations below.

The merged entity will not have a dominant position in the broader commercial door market

3.3 Pacific Doors and NZFD are not the two main players in the commercial door market as alleged by Allegion. As explained in the Clearance Application, there is limited overlap in the operations of Pacific Doors and NZFD, with the main area of overlap in the supply of fire doors and windows, and each company focusing on different customer segments. They are not close competitors. Pacific Doors' closest competitors both in the fire door market and broader commercial door market are Hallmark and Best Doors, and NZFD's closest competitor is Mattsons. Pacific Doors also competes against imports on large commercial projects. [

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3.4 At paragraph 25 of its submission, Allegion alleges that only NZFD, Pacific Doors and Hallmark have the manufacturing capacity to supply larger commercial projects. This is not correct. Best Doors, Mattson Joinery and Hume all have the capacity to supply larger commercial projects and other door suppliers could expand their existing operations to supply those projects. For example, [

].

3.5 The differences in Pacific Doors' and NZFD's products and capabilities are explained in detail in the Clearance Application. Assa Abloy NZ invites the Commission to visit Pacific Doors' and NZFD's manufacturing facilities so that it can view for itself the differences between their operations.

3.6 Contrary to the Hardware Submissions, the broader commercial door market is highly competitive with many manufacturers and suppliers. In addition to each of the fire door suppliers listed in the Clearance Application, the broader New Zealand commercial door market also includes the following manufacturers and suppliers: Hume, Nationwide Pre Hung (Superior), Doormakers, Fit Easy, Renall Doors, HiQuality Doors & Stairs, Bradnam's Windows and Doors, Parkwood Doors, BDS Doors, J&G Doors, Homeview Doors and Starsmeare Doors. Commercial doors are also sold to end customers by major retail chains including Mitre 10, Placemakers, Carters, ITM and Bunnings. Each of these suppliers are capable of competing for most commercial door contracts.

3.7 Further, Hume is Assa Abloy Group's largest competitor in Australia for the supply of fire-rated doors and is the largest supplier of commercial doors in Australia. Its doors are sold through various channels in New Zealand, including through Placemakers and Mitre 10. Hume is and will continue to provide a significant competitive constraint in the commercial door market.

²⁰ Allegion Submission at [27].

²¹ Allegion Submission at [24].

²² Allegion Submission at [27.1].

²³ Allegion Submission at [27.2].

The merged entity will not have a significant degree of control over Best Doors and Doors'n'More

- 3.8 Allegion alleges that, because Best Doors is a Pyropanel licensee and Doors'n'More is a reseller of NZFD's doors, the merged entity will have a significant degree of control over those companies.²⁴ It does not explain how those relationships will result in the merged entity being able to exercise any control over the commercial activities of either company.
- 3.9 Assa Abloy Australia's relationship with Best Doors is one of licensor/supplier and licensee/customer while, as far as Assa Abloy NZ is aware, NZFD's relationship with Doors'n'More is one of supplier and customer. Neither Assa Abloy Australia nor Assa Abloy NZ have any ownership or control of Best Doors, and NZFD does not have any ownership or control of Doors'n'More. The acquisition of NZFD by Assa Abloy NZ will not change this situation.

Assa Abloy's ownership of Pyropanel

- 3.10 As explained earlier, the Assa Abloy Group acquired the Pyropanel intellectual property and business assets in 2006. The basis for Allegion's allegation that Assa Abloy NZ's acquisition of NZFD will make it more difficult for potential competitors to acquire Pyropanel cores is not explained.
- 3.11 There are currently two New Zealand door manufacturers that are licensed to produce Pyropanel doors: Best Doors and Pacific Doors. The Proposed Transaction does not impact those license arrangements.

4. Other observations on the Hardware Submissions

- 4.1 The suggestion by Allegion that fire doors are a significant proportion of the broader commercial door market²⁵ overstates the share of fire doors in the broader commercial door and hardware markets. While the ratio of fire doors to non-fire doors varies by project, typically no more than [] of commercial doors in any project are fire doors.
- 4.2 There is no separate "*fire door hardware*" market as alleged by Dormakaba.²⁶ Assa Abloy NZ considers the relevant market to be a national market for the supply of commercial door hardware, of which hardware approved for use on a fire-rated door is a product segment, for the following reasons:
- (a) The large majority of hardware approved for use on fire doors was not designed specifically for fire doors – it is hardware that is used in all applications, but which happens to have been tested and approved for use on fire doors. The fire door market is too small to justify the production of hardware that can only be used on fire doors.
 - (b) While, on the demand-side, if the customer is acquiring the hardware for a fire door, hardware which has been approved for use on a fire door is not substitutable for hardware which has not, "fire door" hardware is substitutable for non-fire door hardware for non-fire rated doors. Further, customers typically acquire a package of hardware for both fire doors and non-fire doors for their projects. As explained in [4.1] above, no more than [] of commercial doors in any project are fire doors.
 - (c) On the supply side, all hardware suppliers supply a range of fire door and non-fire door hardware.
- 4.3 Allegion submits that commercial door hardware is not typically substitutable with residential hardware or window hardware.²⁷ While Assa Abloy NZ agrees that there are differences between residential and commercial hardware, there is in practice a significant degree of cross-over. For

²⁴ Allegion Submission at [27.1].

²⁵ Allegion Submission at [22].

²⁶ Dormakaba Submission at [7].

²⁷ Allegion Submission at [23.3].

example, commercial hardware is often used in apartment buildings and aged care residences, both of which are classified as residential. Residential hardware can also be used in commercial buildings, such as small office spaces.

4.4 Allegion also alleges that Pacific Doors has “*consistently*” claimed to have made half of New Zealand’s commercial doors.²⁸ It relies on a 2014 news article, the theme of which was that Pacific Doors had been in business for such a long time, it had probably made half of New Zealand’s commercial doors. The article made no claim about then current market share, and one news article in seven years is not “*consistent*”. Pacific Doors does not have, and has never had, a 50% share of the commercial door market.

4.5 Dormakaba alleges that the failure to procure hardware from the approved supplier list can result in voiding the warranty for the fire door.²⁹ This is not correct. Fire doors are required to be certified for compliance with the Building Code. A failure to use hardware that has been tested or assessed in accordance with the Standards will result in the fire door not achieving certification. The approved list of hardware is simply a list of all hardware that has passed the required test or assessment for the door set in question.

4.6 Dormakaba claims that, previously, it “*was a supplier of hardware to Pacific Doors*”³⁰, implying that Pacific Doors has changed its purchasing behaviour since being acquired by Assa Abloy NZ. This submission is misleading. Dormakaba continues to be a supplier to Pacific Doors but the total value of products supplied has dropped since 2019 because:

(a) Dormakaba discontinued its Double Action Reduce Swing Locks in mid-2018. [

[REDACTED] Pacific Doors instead now acquires Allegion’s equivalent double action swing lock;

(b) [REDACTED].

4.7 A list of all hardware that Pacific Doors has acquired from Dormakaba since 2016 is set out in **Confidential Exhibit 4**. [REDACTED] Purchases of the double action reduce swing locks are highlighted in orange.

5. Concluding comments

5.1 As set out in this response, and confirmed by evidence we have provided in support, the Hardware Submissions are in some cases false, and in most cases misleading. The Proposed Transaction will not have the effect or likely of substantially lessening competition in any relevant market.

5.2 Assa Abloy NZ and Pacific Doors are happy to discuss with the Commission the matters addressed in this submission and provide any further information the Commission requires.

²⁸ Allegion Submission at [24].

²⁹ Dormakaba Submission at [12].

³⁰ Dormakaba Submission at [16].