**What Is A Conflict Of Interest?**

Working for a company supplier—or any third party—can create a conflict of interest. Which company would have your loyalty? Where would your interests lie?

A conflict of interest occurs in any situation where an employee's loyalty and obligations to the company may be compromised because of self-interest or other loyalties and obligations.

A common example of a conflict of interest is a personal relationship—whether financial, social, or familial—with someone who does business with the company, or who seeks to do business with the company. Such a relationship may create an incentive or place pressure on you to make business decisions that benefit the relationship, rather than serve the best interests of the company.

Business opportunities may also lead to conflicts of interest. Any situation in which you compete with Tyco, or take personal advantage of opportunities that Tyco may want to pursue, represents a conflict of interest.

**Conflicts...Even when Acting in Good Faith**

Actions arising from a conflict of interest don't need to be blatant to be inappropriate. Moreover, a conflict of interest can exist even when you believe that you are acting in good faith.

You might feel that your objectivity is not in question; that you can make the best decision for the company without being compromised by a personal interest. And while you may be correct in that assessment, there's another issue to consider—one that may not always be obvious—the appearance of a conflict.

**Appearances**

In many situations, it is important to consider not only an actual conflict of interest, but whether the situation gives the APPEARANCE of one.

Circumstances may create the appearance that your judgment on behalf of the company has been influenced by personal considerations. For instance, the appearance of a conflict may give a potential supplier the impression that they do not have a fair chance of doing business with us.

This perception—whether or not it's well-founded—can harm our reputation and diminish our business opportunities just as much as overt actions can.

The appearance of a conflict of interest can also jeopardize the trust that we want our company's stakeholders to have in us. For this reason, it is important to avoid both actual and apparent conflicts of interest.

Even if you believe a situation is innocent, you should consider how it may look to outside observers, either now or sometime in the future.