
**Governance of organizations —
Guidance**

Gouvernance des organismes — Recommandations

iTeh Standards
(<https://standards.itih.ai>)
Document Preview

[ISO 37000:2021](https://standards.itih.ai/catalog/standards/iso/84852109-c63a-45ba-b13d-c5526849016f/iso-37000-2021)

<https://standards.itih.ai/catalog/standards/iso/84852109-c63a-45ba-b13d-c5526849016f/iso-37000-2021>



iTeh Standards
(<https://standards.iteh.ai>)
Document Preview

[ISO 37000:2021](https://standards.iteh.ai/catalog/standards/iso/84852109-c63a-45ba-b13d-c5526849016f/iso-37000-2021)

<https://standards.iteh.ai/catalog/standards/iso/84852109-c63a-45ba-b13d-c5526849016f/iso-37000-2021>



COPYRIGHT PROTECTED DOCUMENT

© ISO 2021

All rights reserved. Unless otherwise specified, or required in the context of its implementation, no part of this publication may be reproduced or utilized otherwise in any form or by any means, electronic or mechanical, including photocopying, or posting on the internet or an intranet, without prior written permission. Permission can be requested from either ISO at the address below or ISO's member body in the country of the requester.

ISO copyright office
CP 401 • Ch. de Blandonnet 8
CH-1214 Vernier, Geneva
Phone: +41 22 749 01 11
Email: copyright@iso.org
Website: www.iso.org

Published in Switzerland

Contents

Page

Foreword	v
Introduction	vi
1 Scope	1
2 Normative references	1
3 Terms and definitions	1
3.1 Governance and organization.....	1
3.2 Principles and outcomes.....	3
3.3 Roles.....	5
4 The governance of organizations	6
4.1 General.....	6
4.2 Integrated governance.....	7
4.2.1 General.....	7
4.2.2 Governance and delegation.....	7
4.2.3 Governance and management.....	8
4.2.4 Governance and sustainability.....	8
4.2.5 Governance and stakeholders.....	8
4.3 The governing body.....	8
4.3.1 Composition and structure.....	8
4.3.2 Competence.....	9
5 Overview	9
6 Principles of governance	13
6.1 Purpose.....	13
6.1.1 Principle.....	13
6.1.2 Rationale.....	13
6.1.3 Key aspects of practice.....	13
6.2 Value generation.....	15
6.2.1 Principle.....	15
6.2.2 Rationale.....	15
6.2.3 Key aspects of practice.....	15
6.3 Strategy.....	17
6.3.1 Principle.....	17
6.3.2 Rationale.....	17
6.3.3 Key aspects of practice.....	17
6.4 Oversight.....	19
6.4.1 Principle.....	19
6.4.2 Rationale.....	20
6.4.3 Key aspects of practice.....	20
6.5 Accountability.....	22
6.5.1 Principle.....	22
6.5.2 Rationale.....	22
6.5.3 Key aspects of practice.....	22
6.6 Stakeholder engagement.....	24
6.6.1 Principle.....	24
6.6.2 Rationale.....	24
6.6.3 Key aspects of practice.....	24
6.7 Leadership.....	25
6.7.1 Principle.....	25
6.7.2 Rationale.....	25
6.7.3 Key aspects of practice.....	25
6.8 Data and decisions.....	28
6.8.1 Principle.....	28
6.8.2 Rationale.....	28

6.8.3	Key aspects of practice	28
6.9	Risk governance.....	30
6.9.1	Principle.....	30
6.9.2	Rationale.....	30
6.9.3	Key aspects of practice	31
6.10	Social responsibility.....	33
6.10.1	Principle.....	33
6.10.2	Rationale.....	33
6.10.3	Key aspects of practice	33
6.11	Viability and performance over time.....	34
6.11.1	Principle.....	34
6.11.2	Rationale.....	34
6.11.3	Key aspects of practice	34
Bibliography.....		36

iTeh Standards
(<https://standards.iteh.ai>)
Document Preview

[ISO 37000:2021](https://standards.iteh.ai/catalog/standards/iso/84852109-c63a-45ba-b13d-c5526849016f/iso-37000-2021)

<https://standards.iteh.ai/catalog/standards/iso/84852109-c63a-45ba-b13d-c5526849016f/iso-37000-2021>

Foreword

ISO (the International Organization for Standardization) is a worldwide federation of national standards bodies (ISO member bodies). The work of preparing International Standards is normally carried out through ISO technical committees. Each member body interested in a subject for which a technical committee has been established has the right to be represented on that committee. International organizations, governmental and non-governmental, in liaison with ISO, also take part in the work. ISO collaborates closely with the International Electrotechnical Commission (IEC) on all matters of electrotechnical standardization.

The procedures used to develop this document and those intended for its further maintenance are described in the ISO/IEC Directives, Part 1. In particular, the different approval criteria needed for the different types of ISO documents should be noted. This document was drafted in accordance with the editorial rules of the ISO/IEC Directives, Part 2 (see www.iso.org/directives).

Attention is drawn to the possibility that some of the elements of this document may be the subject of patent rights. ISO shall not be held responsible for identifying any or all such patent rights. Details of any patent rights identified during the development of the document will be in the Introduction and/or on the ISO list of patent declarations received (see www.iso.org/patents).

Any trade name used in this document is information given for the convenience of users and does not constitute an endorsement.

For an explanation of the voluntary nature of standards, the meaning of ISO specific terms and expressions related to conformity assessment, as well as information about ISO's adherence to the World Trade Organization (WTO) principles in the Technical Barriers to Trade (TBT), see www.iso.org/iso/foreword.html.

This document was prepared by Technical Committee ISO/TC 309, *Governance of organizations*.

Any feedback or questions on this document should be directed to the user's national standards body. A complete listing of these bodies can be found at www.iso.org/members.html.

ISO 37000:2021

<https://standards.iteh.ai/catalog/standards/iso/84852109-c63a-45ba-b13d-c5526849016f/iso-37000-2021>

Introduction

The pursuit of purpose is at the centre of all organizations and is, therefore, of primary importance for the governance of organizations. Good governance of organizations lays the foundation for the fulfilment of the purpose of the organization in an ethical, effective and responsible manner in line with stakeholder expectations. The organizational outcomes of this good governance are:

- effective performance;
- responsible stewardship;
- ethical behaviour.

Good governance means that decision-making within the organization is based on the organization's ethos, culture, norms, practices, behaviours, structures and processes. Good governance creates and maintains an organization with a clear purpose that delivers long-term value consistent with the expectations of its relevant stakeholders. The implementation of good governance is based on leadership, values, and a framework of mechanisms, processes and structures that are appropriate for the organization's internal and external context.

This guidance is directed at governing bodies and governing groups but can also be useful to those that support them in discharging their duties such as:

- personnel;
- governance practitioners;
- other interested stakeholders.

Organizations that use this guidance will be better equipped to understand the expectations of their stakeholders and to apply the creativity, culture, principles and performance required to deliver the objectives of the organization according to its purpose and values. Their governing bodies will hold management to account and ensure that the culture, norms and practices in the organization align with the organization's purpose and values.

This guidance sets out governance principles that will assist governing bodies in discharging their duties effectively, prudently and efficiently, while enhancing trust, inclusion, accountability, legitimacy, responsiveness, transparency and fairness. Governing bodies that apply this guidance can expect that the organizations they govern will realize effective performance, responsible stewardship and ethical behaviour.

When organizations use this document, stakeholders across countries and sectors can have increased confidence that the governing bodies of these organizations are responsible, accountable, fair and transparent, they act with probity and make decisions which are risk-based and informed by:

- credible information and reliable data;
- stakeholders' expectations;
- compliance obligations;
- ethical and societal expectations, including those anticipated for future generations;
- impacts, and reliance, on the natural environment.

The benefits of good governance can apply to:

- a) the organization itself;
- b) member stakeholders;
- c) other stakeholders.