ISO 37000 Highlights

- Governance of organizations Overview
- The Primary and the Foundational principles
- The Enabling principles
The ISO 37000 standard distills governance into 11 core principles that are at the heart of any successful organization.

1 Primary governance principle

4 Foundational governance principles

6 Enabling governance principles

Key governance outcomes
The **Primary** and the **Foundational principles**

1. **Purpose**
2. **Value Generation**
3. **Strategy**
4. **Accountability**
5. **Oversight**
ISO 37000 clarifies that the governing body is responsible for defining and elaborating a meaningful, relevant organizational purpose as the reason the organization exists and gives detailed guidance on relevant practice.

It also makes clear that the governing body should define the organizational values as the compass to guide how the purpose is achieved.

Organizational purpose statement defines, specifies, and communicates the ultimate value the organization intends to generate for specified stakeholders.
2. Value Generation

Organizations don’t generate long-term value that achieves the organization’s purpose or avoids harm by chance. ISO 37000 establishes the responsibility of the governing body role to clarify the value generation objectives and to govern so that these objectives are met. This requires the governing body to define a clear and transparent value generation model that defines, creates, delivers and sustains appropriate value.

A Foundational Principle

A value generation model provides basis for innovation and collaboration with stakeholders.
3. Strategy

The governing body should direct and engage with the organizational strategy, in accordance with the value generation model, to fulfill the organizational purpose.

The governing body sets the strategic outcomes, establishes governance policies to guide the strategy development, and engages in strategic planning.

The governing body should actively and dynamically steer the strategy in a way that balances value generation in the present with value generation in the future.

The organizational strategy reflects the governing body's intentions regarding the organization's achievement of the strategic outcomes within its changing context.
4. Accountability

ISO 37000 clarifies that the governing body is responsible for and accountable to the organization as a whole. Accountability at all levels is a key aspect of governance. Accountability is established through the assignment of, and agreeing to, responsibility and the delegation of authority. The governing body can delegate but should demonstrate its willingness to answer for the fulfilment of its responsibilities, even where these have been delegated.

Accountability engenders trust and legitimacy, which leads to improved outcomes. It is demonstrated through reports, disclosures, effective stakeholder engagement, and applying improvements.
5. Oversight

ISO 37000 outlines the governing body’s role and responsibility to effectively oversee the organization. For the first time ever, clarity is given at a global level on the nature, elements of and integration into organizations of the internal control system and the assurance processes.

Oversight by the governing body includes ensuring that an internal control system is implemented and assuring itself that the governance system is appropriately designed and operating as intended.
The **Enabling principles**

6. Stakeholder engagement
7. Leadership
8. Data and decisions
9. Risk Governance
10. Social Responsibility
11. Viability and performance over time
6. Stakeholder engagement

ISO 37000 outlines *why and how* the governing body should *understand its stakeholders*, engage them in *achieving the organizational purpose* through the strategy, establish clear criteria to determine the relevance of stakeholder expectations, ensure *effective relationships are established and maintained*, and that *expectations* become an *effective part of organizational decision-making.*

*Member, reference, and relevant stakeholder engagement are key.*
ISO 37000 clarifies that the governing body should be values-driven and lead the organization ethically and effectively and ensure such leadership throughout the organization and its external context. The governing body should set the tone for an ethical and values-based organizational culture.
8. Data and Decisions

ISO 37000 outlines that the governing body should recognize data as a strategic and valuable resource for decision-making by the governing body.

The governing body ensures that its own decision-making process and those of others in the organizations are ethical, responsible and effective.

The governing body should ensure that the organization identifies, manages, monitors and communicates the nature and extent of its use of data.
9. Risk Governance

ISO 37000 explains that the governing body sets the tone and shapes the culture for a proactive and anticipative approach to the management of risk across the organization.

The governing body ensures the systematic assessment of risks and defines the risk criteria, in particular the appetite for risk and risk limits.

The governing body assesses, treats, monitors, and communicates the nature and extent of the risks faced when making decisions.
The governing body should ensure that decisions are transparent and aligned with broader societal expectations. For an organization to act in a socially responsible way, it needs to operate within the parameters of acceptable behaviour and not allow actions that are legally or locally permissible but not in line with what is expected of it by its broader stakeholders and society.

The organization should proactively contribute to sustainable development by generating value in a manner that meets the needs of the present without compromising the ability of future generations to meet their own needs.
11. Viability and performance over time

The governing body identifies, describes and assesses the key resources and value generation systems the organization depends on to generate value, how these interrelate and how they are used over time. It ensures that the organization protects and restores the key resources and systems that it depends on or affects. Where an organization fails to understand and respond to the needs of the systems of which it is a part, it is unlikely that the organization will remain viable and perform over time.
Key take-aways
## Key take-aways

ISO 37000 is the global benchmark for good organizational Governance:

| Provides a clear compass in key areas of good governance such as purpose, stakeholder engagement, resource stewardship, accountability and oversight. | is the tool to align all organizations world-wide to fulfil their meaningful purpose through engagement with their stakeholders and contribute to a sustainable world which respects the needs of future generations. | is the global benchmark for good governance by all organizations. It creates transparency, reduces complexity and builds trust in and across organizations & society. It is the route to value generation for all organizations. |
Further Details

ISO 37000:2021 Governance of organizations - Guidance

Quicklinks: ISO - ISO/TC 309 - Governance of organizations

Committee Website: ISO - ISO/TC 309 - Governance of organizations