International Journal of Multidisciplinary and Current Educational Research (IJMCER
ISSN: 2581-7027 ||Volume|| 8 ||Issue|| 4 || 44-55 ||2026||

Galp – An approach to organizational structure

[1,]Jessica Silva, [2,]Joaquim Costa, [3,]Liliana Rodrigues, [4,]Adalmiro Pereira, [5,]Tânia Teixeira
ISCAP-P Porto
***ISCAP-P Porto teacher; CEOS member*

ABSTRACT : Galp is the largest Portuguese company in the energy sector, with a presence in the global oil and natural gas market. More precisely, it is a group of Portuguese companies that owns Petrogal and Gás Natural de Portugal. This work aims to understand how Galp applies the various management functions in the global energy transformation and the transition to renewable energies.

KEYWORDS: GALP; Strategic planning; Leadership; Organizational culture

I. THE GALP COMPANY

Galp's history began in Lisbon in 1846, when it introduced the gas lamp. This great achievement, as well as advancements in the technological, economic, and social fields, contributed to the evolution of various energy sources. The evolution of the energy sector in Portugal occurred due to the performance of different companies, such as CRGE, Sonap, SPP, Sacor, which later gave rise to Galp.

Fig. 1. Creation of the Galp company | Source:https://www.galp.com/corp/en/about-us/gall/our-roots

II. GALP HISTORY :

In 1976, due to the nationalization of the energy sector in 1975, the Portuguese State took control of CUR (Companhia União de Refinações (which ensured the supply of fuel in Portugal)). Then, in 1976, Petrogal was founded, becoming the national operator for refining and marketing fuels in the country. In 1990, the Portuguese government decided to organize the entire state-owned energy sector, as until then, several public companies operated in different areas of energy. Thus, in 1990, Gás Energia emerged as the state-owned parent company that unified the public energy sector in Portugal. In 1999, ENI (Ente Nazionale Idrocarburi), an Italian group, acquired a significant stake in Galp, initiating the process of opening up to private capital. As a result, in 2007, ENI sold a portion of its exploration assets in Brazil to Galp, specifically its stake in offshore blocks in the Santos Basin, which was one of the most promising oil-producing areas at the time. In 2010, Galp expanded its operations to Spain, where it strengthened its network of service stations and launched the sale of electricity and natural gas.

On April 22, 1999, GALP - Petróleos e Gás de Portugal, SCPS, SA was officially founded.

What is your mission? : Galp is committed to providing energy solutions that balance economic growth, environmental management and social responsibility; it aims to create sustainable value for its stakeholders; and it wants to reduce its dependence on and use of fossil fuels and invest in renewable energies. Their mission is to balance economic growth with sustainability, aligning with current trends and demonstrating that the company sees itself not solely as a fossil fuel company.

III. ORGANIC STRUCTURE :

At an operational level, the Galp Group's organizational structure is based on four business units: **Upstream, Industrial and Midstream, Commercial, Renewables and New Businesses.**
These will be analyzed in the future.

Sector Activity : Galp operates in the energy sector, more specifically in the oil and gas industry. Its activities encompass oil and gas exploration and production, petroleum product refining, natural gas distribution and sales, and electricity generation, including renewable energy sources.
Services produced/marketed

Galp has a Commercial business unit that offers a wide range of petroleum products, natural gas, electricity, multi-energy solutions, and convenience services. However, there is a growing focus on convenience, non-fuel alternatives, digitalization, and low-carbon solutions that keep pace with consumer trends. Examples include the expansion of the charging point network for electric mobility and the installation of solar solutions for self-consumption.

Geographic Location : Galp's most recent headquarters is located in Alcântara, Lisbon, where it was relocated at the end of 2023. This new space is located in the Alcântara Lisbon Offices complex.

Fig. 2. Alcântara Lisbon Offices|https://www.facal.pt/en/noticias/alcantara-Lisbon-offices-hello-knife/

There are approximately 1258 Galp service stations throughout the country, not counting those in other countries. This company operates in nine countries across three continents: Portugal, Spain, Brazil, Cape Verde, São Tomé and Príncipe, Angola, Namibia, Mozambique, and the Kingdom of Eswatini.

Fig. 3. Galp in the World | Source:https://www.galp.com/corp/pt/sobre-us/us-galp/a-galp-node-world

Collaborators : The term "collaborators" can be divided into two categories: company employees and collaborating companies. Galp has over 7,000 employees, most of whom are located in the Iberian Peninsula, across various business units, primarily in the industrial sector. In terms of employees, the company has more than 6,000 employees worldwide (2023). Regarding partner companies, Galp works with various companies in its different areas, for example: Galp service station employees: Pingo Doce, Auchan, Delta Cafés; Gas and infrastructure employees: Eni, REN, Petrobras, among many others. Competition In the free market world, there is competition, which causes numerous companies to vie for the consumer's attention. Galp, having diverse energy segments, faces varying levels of competition depending on the business area. In the fuel sector, the main competitors are: Repsol, BP, and Cepsa. In the electricity and natural gas sector, the main competitors are: EDP Comercial, Iberdrola and Energia Zero. In the solar energy sector, the main competitors are: EDP Comercial/EDP Solar, Iberdrola Solar and Plug Solar. It can be understood that, in Portugal, there are companies that stand out in the energy sector, which makes them the most competitive. Galp and EDP are the most prominent. What causes the most rivalry between these two large markets is the value that consumers are willing to pay for the services they provide. Each consumer compares the different characteristics of both companies and sees which value best suits their lifestyle. Company Functions

Statement of Values : Galp follows certain values, such as: sustainability, innovation, integrity, people, and customer focus. These values are typically used in communications, sustainability reports, and the company's transformation strategies.

Strategic planning : Galp has defined its mission, as previously mentioned, as providing energy solutions and a vision of an integrated company focused on exploration and production. These statements guide all future

strategic decisions. In general terms, the strategic priorities are: Upstream, Industrial and Midstream, Commercial, and Renewables and New Businesses.

Strategic plan in effect : The company has a medium-term plan, 2025-2026, which consists of investment allocation. This current strategy includes the energy transition, anticipating that approximately 35% of the planned gross investment for this period will be directed towards low-carbon activities.

Galp is also investing in a long-term plan, which consists of decarbonization by 2050. Their strategic plan, focused on decarbonization by 2050 and with investments in renewable energy and electric mobility, reflects a vision of a future aware of the challenges posed by the energy transition.

Strategic business units : Galp operates in four strategic business units, as previously mentioned: Upstream, Industrial and Midstream, Commercial, and Renewables and New Businesses. Upstream: consists of the exploration and production of oil and natural gas;

Fig. 4. Upstream Galp | Source:https://expresso.pt/economia/economia_energia/2024-04-30-profit-from the-galp-nodefirst-quarter-grows-35-to-337-millions-e23f55be

Industrial and Midstream: The Industrial unit includes refining (Galp operates two refineries: the Sines Refinery and the Matosinhos Refinery), logistics, and cogeneration in the Iberian Peninsula. Meanwhile, the Midstream unit focuses on the supply and exchange of oil and petroleum products, natural gas, and electricity, maximizing the value of Galp's integrated business chain.

Fig.5. Industrial and Midstream | Source:https://www.galp.com/corp/pt/media/comunicados-ofpress release/press release/id/882/refinery-of-Sines-celebrate-40-years-with-new-vacancy-of-investments

Commercial: Responsible for delivering final products and services to buyers/consumers, both individuals and companies, in Portugal or in other countries where Galp operates.

Fig. 6. Galp Fuel Station | Source:https://www.galp.com/corp/pt/media/conteudos-multimedia

Renewables and New Businesses: This unit includes the renewable energy production portfolio, currently focused on the Iberian Peninsula. At the same time, it continuously identifies, evaluates, and develops new business opportunities in the energy sector.

Fig. 7. Galp Renewable Energy | Source:https://www.galp.com/corp/pt/media/comunicados-of-press release/press release/id/1156/galp-spear-enterprise-Hey---energy-independent-to-boost-the-self-consumptionphotovoltaic

Company planning process : Galp's planning process is dynamic and strategic, balancing profitability with environmental and social responsibility; this process reflects the evolution of the global energy sector. Since 2020, the company has been reorienting its business model by incorporating decarbonization, energy efficiency, and renewable energy development goals. Planning is carried out in coordination across various areas, such as finance, innovation, and sustainability, in alignment with the Board of Directors and Executive Committee. The company uses scenario planning tools to anticipate different market trajectories and then adapt the best strategy. Its plan is not static or time-bound; the company promotes continuous review of its plans according to various indicators: performance, feedback, and changes in the external environment.

Types of plans developed by the company : Galp, being integrated into the energy sector, develops different types of plans, all interconnected and aligned with its business and sustainability objectives, including:

Strategic plan: To define the company's long-term direction (generally with a horizon of 5 to 10 years).

Investment plan:to allocate financial resources to projects and assets that support the strategy, for example, between 2024 and 2027, Galp intends to invest around 5.7 million euros, of which 60% is earmarked for low-carbon businesses;

Annual Operational Plan: Translate and plan strategic objectives for the following year, such as production, sales, asset maintenance, safety, and environmental protection targets;

Budget Plan To predict revenues, expenses, and financial results, thus enabling projections of energy prices, operating costs, and investments;

Sustainability plans: Targets for reducing emissions, investing in renewable energy, and a circular economy. These plans are not isolated, as the company responds to market changes, reinforcing its commitment to a more sustainable and green future.

Internal Analysis : It was observed that Galp is one of the leading companies in the energy sector in Portugal, with integrated activities in the exploration and production of oil and natural gas, in marketing and in sustainability. Due to market changes and pressure, the company has been redefining and adapting its business model.

IV. GALP HAS SEVERAL RESOURCES THAT SUPPORT ITS MARKET POSITION:

Strategic physical assets: Sines Refinery, a network of fuel stations in Portugal and Spain (one of the most efficient in Europe);

Financial capacity: The company maintains a solid cash flow generation, driven by high energy prices in recent years, which allows it to finance its energy transition without incurring debt.

Skilled workers: The Galp team has strong technical knowledge in engineering, refining, and increasingly in renewable energies. They are responsible for the smooth operation of the company and trained to resolve any crisis the company may face.

Reputation: Galp is recognized in the Iberian Peninsula market as the leading energy supplier. The company has also been reducing its dependence on traditional businesses and increasing the role of renewables, with the goal that, by 2023, more than 60% of its CAPEX will be linked to low-carbon businesses. Despite the company's commitment to sustainability, its strong organizational structure, and its presence in one of today's most important sectors, it faces some drawbacks:

Dependence on fossil fuels: Despite Galp undergoing an energy transformation process and investing in renewable and sustainable energies, there is still a great dependence linked to oil, especially in terms of profit;

Organizational complexity: There is a great deal of business management involved, that is, the simultaneous management of traditional and emerging businesses leads to high agility and internal tensions.

V. EXTERNAL ANALYSIS

PESTAL Analysis: Policy: The political and geopolitical environment directly influences Galp's operations due to the global nature of energy resources. Politically, there is a decarbonization plan in place, adopted by the European Union, which is the main driver of change within the company. Simultaneously, there has been enormous global geopolitical instability, for example, conflicts like those between Ukraine and Russia, as they disrupt the supply chain and cause fluctuations in oil and natural gas prices, leading to internal and external problems for the company.

Economic: The financial system and performance are linked to the global economic cycle and market changes. Inflation, rising interest rates, fluctuating oil and natural gas prices, and energy costs influence Galp's finances, as these factors are not static, varying from month to month or year to year. Regardless, the instability of oil and natural gas prices remains the main driver of the company's profit. Galp ended 2024 with a net profit of €961 million.

Social: Social demands, trends, and tastes shape the market and commercial offerings, and especially how Galp operates. There has been a growing awareness and social pressure regarding, for example, the environment, which has led Galp to invest in greener and more sustainable solutions, creating a change in consumption habits for its customers and for the company itself. This proves that consumers and the market are constantly changing, and companies must be able to respond to such changes.

Technological : The business world has witnessed an unprecedented and enormous evolution and technological discovery. This evolution is the strategic pillar of Galp, as it is indispensable for the optimization and evolution of services, operations, and energy transition. Galp has therefore invested, for example, in the production of molecules such as Green Hydrogen (H2) and Hydrotreated Vegetable Oils (HVO), as they aim to develop low-carbon technologies. New technologies are indispensable.

Environmental: In Portugal, the central challenge for the energy sector is the energy transition. Therefore, for Galp, the environmental factor is paramount, as its long-term plan involves decarbonization by 2050. This plan aims to lessen the impact of climate change and reduce greenhouse gas emissions. In other words, resource management and minimizing the environmental impact of upstream and industrial activities are crucial factors in the company's sustainability operations.

Legality: There is a legal and regulatory framework (at the European level) that aims to establish compliance obligations and investment opportunities for Galp. There is also Labor Legislation (Labor Code), which contains rules for the safety and protection of workers, more specifically in industrial operations. The European Union has imposed limitations regarding competition rules, regulation of fuel and electricity prices, and occupational health and safety (Market Regulation).

These factors are essential for maintaining Galp's operating license.

VI. PORTER ANALYSIS:

Bargaining Power of Suppliers: The bargaining power of suppliers is medium-high, since Galp depends on international oil and natural gas suppliers, namely OPEC+. However, when it comes to renewables or equipment for renewables, the power of suppliers is moderate, due to the diversity of manufacturers in the market.

Threats of substitute products: This is a high and significant threat, since Galp's main product, fossil fuels, are being rapidly replaced by renewable energy sources. An example of this threat is electric cars, as batteries and green hydrogen are replacing fossil fuels.

Threat of new entrants: This threat is considered medium, but varies depending on the business area. The energy sector requires very high capital investment (refineries, exploration, etc.). Intense regulation and environmental requirements create significant barriers. However, in the area of renewable energies, the barrier is lower. This situation attracts specialized companies and startups, which increases competitive pressure on Galp in this segment.

Customer bargaining power: There are two markets where customers can have power: the retail (B2C) market and the industrial (B2B) market. In retail (gas stations), customers don't have as much power because they are price-sensitive. In the B2B market, however, large companies and industries wield significant bargaining power to obtain favorable prices and contracts.

SWOT Analysis:

Strength	Weaknesses
-It is the leader in the energy market in Portugal; -It has a diverse and flexible portfolio (Upstream, Industrial, Commercial, Renewables and Electric Mobility); -Has the ability to execute complex projects; -Extensive network of locations in the Iberian Peninsula; -Strong financial position.	- Dependence on fossil fuels; Vulnerability to market price instability; Exposure to environmental risks; -Society in constant evolution and change; -Public perception, since Galp is known put to be one enterprise of fossil fuels.
Opportunities	**Threats**
-Expansion and growth of renewable energies; -Political support for the energy transition; Constant technological innovation;	High level of competition; Geopolitical instability; -Regulatory and fiscal pressure; -Accelerated energy transition.

VII. ORGANIZATIONAL FUNCTION

Company Organizational Chart : Galp has a complex organizational structure. The company is represented by an administrative structure, consisting of the Board of Directors and a Committee.
Executive, a reinforced oversight structure, which integrates the Fiscal Council and the Statutory Auditor (ROC), as well as a Company Secretary, responsible for providing specialized support to the corporate bodies, and also the structure of the business units.

1. Corporate Bodies.
General Assembly: the highest governing body, composed of shareholders;

Board of Directors (CA):It defines strategic guidelines and is responsible for the company and for overseeing its management. It consists of 19 members, 6 executives and 6 independents. Each member's term is four years (2023-2026).

2. Management/Executive Committee.
Executive Committee:It has day-to-day management powers of the Company delegated by the Board of Directors. It consists of six members, appointed by the Board of Directors, with a four-year term (2023-2026).

Main departmental criteria used by Galp
Like all large multinational companies, it is necessary to use departmentalization criteria to more effectively organize its operations.

The company Galp uses the following departments:

1. **Departmentalization by Function:**Upstream, Industrial and Energy Management, Commercial, Renewables and New Businesses.

This division allows for operational specialization in internal responsibilities.

2. **Departmentalization by Service:**

Galp Energia E&P BVand its subsidiaries: develop their activity in the exploration and production of oil, gas and biofuels;

Petrogal, SA: It develops activities in the areas of marketing of petroleum and petroleum products, natural gas, electric mobility and electricity, biofuels, value chains of batteries and hydrogen, and crude oil refining;

Galp New Energies, SA: It develops activities in the renewable energy sector and new businesses;

Galp Energia, SA:A company that integrates corporate services.

Organizational structure : Galp follows a matrix/divisional organizational structure by business units: Upstream, Industrial and Energy Management, Commercial and Renewables, and New Businesses. In terms of legal structure, Galp adopts: Galp Energia E&P BV, Petrogal, SA, Galp New Energies, SA, and Galp New Energies, SA. Finally, it also adopts a Corporate Governance structure: Corporate bodies (Board of Directors, Executive Committee, and Supervisory Board) and specialized committees (Audit, Sustainability, and Risk Management Committees). The matrix/divisional organizational structure, combined with a corporate governance model, allows Galp to balance the management of its traditional businesses with the development of new, more sustainable business units.

Existing hierarchical levels Galp does not provide an official number of existing hierarchical levels, but the following can be observed: the Board of Directors, the Executive Committee, the Directors, the Middle Managers, and the Operational/Technical Staff.

Level of delegation/decentralization : Galp adopts a separation of powers to ensure transparency and effectiveness in its performance. In terms of operational and strategic decisions, the company has areas with a high level of decentralization, such as strategic divisions (Upstream, Industrial and Midstream, Commercial, and Renewables and New Businesses) and some autonomy in international operations (American and African continents). However, for strategic decisions of great importance (involving large investments, usually exceeding €75 million, and energy transitions), decisions are centralized in the Executive Committee or even in the... Line, staff, and functional authority At Galo company, you can find three types of authority: line, staff, and functional. Line authority is the authority within the chain of command, or the typical authority: Board of Directors, Executive Committee, Directors of Business Units (Upstream, Industrial and Energy Management, Commercial, and Renewables and New Businesses).

Staff authority is the authority of departments, groups, or individuals that support line managers: Human Resources, Legal, Finance, Management Control, Communications, Risk Management, and Institutional Relations. The clear separation between these functions contributes to a more agile and specialized operation.
Functional authority is the formal authority conferred to control the activities within their specific responsibilities, of another department in the line: Directors or Managers of Functional Areas.

VIII. DIRECTION, MOTIVATION

Galp uses different strategies to motivate its employees: The company prioritizes the well-being of its people, both in terms of physical and mental health. To this end, it has health and well-being policies in place: psychological support, gyms, and health campaigns; promotion of a smart work model that provides flexibility between work and personal life; equal opportunities and treatment of people regardless of social, economic, and political background, among others (Maslow's Hierarchy of Needs). This results in greater productivity and creativity from its employees (Theory Y). Galp also conducts surveys for its employees to improve their understanding of key issues.The company also seeks closer ties with the academic community, focusing on developing initiatives to foster contact and the sharing of experiences and know-how between universities and Galp, with the aim of attracting potential talent.Human Resources is responsible for designing and implementing motivation strategies at Galp, but how are these applied? For example, physical or technical shift work, focusing on safety, which leads to greater appreciation for job stability and security; collective recognition or performance bonuses; investment in working conditions; recruitment of younger professionals motivated by an environmental and innovative purpose; participation in strategic decisions; partnerships with universities, business schools, among many other methods.

IX. LEADERSHIP

Former Galp CEO Filipe Silva was seen as "discreet," "low profile," and "cordial," the opposite of charismatic, causing some controversy, both for the company and for himself. After submitting his resignation on January 7, 2025, Galp adopted a two-headed management structure, with two co-CEOs: Maria João Carioca (CFO) and João Diogo Marques da Silva (EVP Commercial). Paula Amorim (Chairwoman of the Board of Directors) believes that both are essential to the company, as they demonstrate the ability to lead together: "Maria João and João Diogo have clearly demonstrated their ability to lead with excellence, combining strong leadership, strategic vision, and a deep understanding of the company's operations." This leadership style ensures stability for the evolution towards renewable energies.

Despite Galp adopting a two-headed management structure, with the co-CEOs having the final decision-making power, the company represents participatory and democratic leadership, as this model seeks a balance between financial and operational perspectives, thus operating within the different groups within the organization. The company's leadership is exercised by its managers, more precisely by the Executive Committee, composed of two co-CEOs, Maria João Carioca and João Diogo Marques da Silva, and other executive members, who are responsible for implementing and ensuring the execution of strategies defined by the Board of Directors.At Galp, informal leadership exists, exercised through internal influence, such as employees who, even without holding a formal position, exert enormous influence on others. Informal programs like “Coaching@Galp” and “Mentoring@Galp” enable employees to share knowledge and assume leadership roles without a formal title.
Communication

In all companies, there need to be means by which information flows, such as formal downward communication channels and formal upward communication channels. Formal downward communication channels serve to pass information from higher to lower hierarchical levels. At Galp, examples of these channels are: Intranet, a platform for sharing news, policies, company announcements and management communications; corporate email; Corporate TV, which was an implementation of the “Digital Signage” project for Galp's internal communication, implemented at the Sines Refinery, with more than fifty screens; normative reports and manuals, institutional documents such as the Internal Control Manual; and official publications and communications. Formal upward communication channels serve for lower hierarchical levels to pass information to higher hierarchical levels. In this company, examples of such channels are: OpenTalk, an online platform or via telephone/mail, with the possibility of anonymity, to report irregularities, fraud, harassment or violations of the code of ethics; and Continuous Feedback, the company has adopted a model that allows employees to communicate about difficulties, suggestions or perceptions about the work environment. There are different types of communication networks, and Galp predominantly adopts a chain network, since communication is transmitted sequentially between hierarchical levels (Board of Directors – Executive Committee – Management, etc.). However, in situations such as collaborative projects, there is already total interconnection, allowing different areas to exchange information directly. The information systems used by Galp demonstrate an advanced integration between technology, organizational culture, and strategy. The company aims to promote internal communication geared towards reducing barriers, implementing various strategies to ensure effective internal communication. The Board of Directors approved the "Communication Policy," which defines guiding principles such as rigor, information opportunities, and transparency. There is no indication of informal communication within the company, as it strives to promote clear and focused communication.

X. CONTROL

Galp bases its Internal Control System on the COSO model, formalized in an Internal Control Policy and Internal Control Manual, approved by the Board of Directors. This model applies to all units and geographies. It is possible to verify that the governance model separates the management functions (Board of Directors and Executive Committee) and supervisory functions (Fiscal Council and Statutory Auditor). With regard to Strategic Control, the Board of Directors and the Committees at the Board level are responsible. The Board of Directors defines strategic guidelines, approves measures and strategies, and monitors their implementation through non-executive committees. Within the Board-level Committees, there are three: the Risk Management Committee, whose mission is to advise the Board of Directors on the supervision and monitoring of risk management activities at Galp; the Sustainability Committee, which assists the Board of Directors in integrating sustainability principles into the company, promoting sustainable practices in all its activities; and the Audit Board and Statutory Auditor, whose function is to supervise the independence of the external auditor, financial information, and internal control and audit systems. In Tactical Control, the Executive Committee is responsible for translating strategic guidelines into tactical plans, goals, and controls in the Business Units; the Risk Management Committee and Second-Line Functions define policies, standards, and control tests, and ensure monitoring, analysis, and evaluation methods. Finally, in Operational Control, First-Line Management is responsible for controlling processes, recording evidence, and applying corrective actions after analyzing the causes of incidents and complaints.

Galp, being a company in the energy sector with high-risk operations and strong regulatory exposure, addresses and utilizes standards and control systems to ensure efficiency and safety.

Internal Control Integrated Framework(COSO): provides the basis for the NT025 Internal Control Manual, which structures the internal system around the five components of the model: environmental control, risk assessment, control activities, information/communication, and monitoring.

Reference Framework for the Integrated Management System The company implements certified management systems aligned with international ISO standards, such as ISO 9001 (Quality Management), ISO 14001 (Environmental Management), among others.

Risk Management Policy aligned with ISO 31000: The risk management system follows certain practices recommended by ISO 31000 (an international standard that provides principles and guidelines for risk management in any organization).

Political regulations and laws: The set of regulations and policies provides a basis for leadership and organizational integrity. Regarding tolerance levels, Galp not only defines tolerance levels but also integrates them into its control processes through standards and policies. This allows the company to define risk appetite, limits, and tolerances, ensuring alignment between strategy and business plans; KRIs (Key Risk Indicators), each indicator has objectives and certain tolerance limits, so when a KRI exceeds the tolerance, mitigation plans are triggered; and internal control processes (COSO), which include continuous monitoring and an assessment of compliance with the defined levels. It is also necessary to analyze the frequency with which deviations are analyzed within the company. For Galp, deviation analysis is integrated into the Integrated Management System, and these analyses occur with varying frequency, depending on the area; it can be continuous, periodic, or annual. Regarding performance monitoring and evaluation, the company defines specific indicators and methods to monitor and measure performance, including the analysis of identified deviations. These evaluations are then carried out periodically or whenever significant changes occur. Furthermore, compliance assessment, which includes deviations, is performed at least annually, ensuring that all legal and internal requirements are verified at least once a year. Finally, management review is conducted annually by Galp's management, which includes an analysis of all deviations.

As soon as a deviation is detected, Galp implements two levels of corrective actions: immediate and permanent. Immediate corrective actions are applied as soon as a deviation occurs to control its impacts: minimizing consequences: immediately applying measures to reduce damage to people, the environment, or assets; correcting the nonconforming output: these are quick actions to restore conformity to the affected product, service, or process, which will be followed by reassessment. Permanent corrective actions aim to eliminate the root cause of the deviation and thus prevent recurrence: investigation and analysis of causes: a diagnosis is carried out to identify the origin of the problem; implementation of improvement plans: development of structured plans with specific actions aimed at correcting the problem and its recurrence in the future. The control process at Galp is structured in three phases: inputs, processes, and outputs.

The inputs are the elements necessary to begin the process, and these include: stakeholder requirements, such as clients or regulators; resources, such as equipment, infrastructure, and training; information and documents, such as specifications and plans; and risk identification.

XI. PROCESSES ARE PHASES THAT DEFINE THE PATH BETWEEN INPUTS AND OUTPUTS:

Operational planning and control Defining what to do, who, how, when, and what resources are needed; analyzing and integrating environmental, safety, and energy criteria;

Development: establishing phases, controls, checks and reviews;

Control of external suppliers and services. There is a selection process based on quality, environmental, safety, and energy criteria.
Outputs are therefore the final and expected results generated by the inputs and processes, such as products and services, documented evidence (inspections, tests, reports, etc.) and opportunities for improvement.
In the process of controlling Galp, the main stakeholders who execute and ensure its effectiveness are:

Government and Oversight Bodies: such as the Board of Directors, which defines policies, structures internal controls, and reviews results, and the Supervisory Board, which oversees and validates financial control processes;

Specialized Committees: how the Audit Committee, which monitors and supervises the internal audit and control system, and the Risk Management Committee, assist management in identifying and monitoring key risks;

Internal Audit and Risk Management: as well as the Internal Audit Department, which conducts periodic audits and reports deviations. These stakeholders collaborate in a coordinated manner, thus ensuring that control processes are effective and reliable across all dimensions of the company. Galp has strategic control points integrated into its Internal Control System, which are aligned with the COSO model. These controls are distributed across three levels: entity level, ensuring leadership commitment to ethics and values; information systems level, ensuring data integrity and security; and finally, process level, containing specific mechanisms to mitigate operational risks and ensure their execution according to requirements.

XII. CONCLUSION

Throughout this work, it was possible to understand how Galp, a leading company in the energy sector in Portugal, applies management functions such as planning, decision-making, organization, direction, and control in a context of transformation in the energy sector. This is not limited to the exploration of oil and natural gas, but also includes a transition to a more sustainable energy model. According to its planning, Galp demonstrates strategic intelligence by setting fixed and ambitious targets. Its planning process is dynamic, responding quickly to geopolitical issues, constantly changing prices, and regulatory pressures. Internal and external analyses reveal an understanding of the environment in which Galp operates, as well as its strengths and vulnerabilities.In your organization, your matrix/divisional structure, centered on four business units, allows for a balance between operational efficiency and innovation. The combination of centralized strategic decisions and decentralized operations also reflects balanced governance, capable of simultaneously managing traditional and emerging businesses. In its leadership, Galp adopts an approach aligned with theories analyzed in Introduction to Management, such as Maslow's Theory and Theory Y, which value the autonomy, well-being, and purpose of employees. In 2025, the Two-Headed Leadership model was introduced, reinforcing strategic stability by combining a financial and operational vision. In short, Galp is actively reinventing itself as an energy company of the future. Its ability to align profitability with responsibility, tradition with innovation, and leadership with collaboration makes it a case study on how strategic management can be an engine for sustainable transformation. Galp demonstrates that it is possible, with vision, structure, and commitment, to lead with purpose.

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