



Driving Safety Performance in the Current Oil and Gas Industry Paradigm



As the oil and gas industry navigates an increasingly complex and rapidly-changing environment, maintaining safe and reliable operations remains a fundamental priority.

Despite historic investments in health and safety, safety performance expectations by stakeholders continue to increase – and high levels of residual risk remain. Meanwhile changes in the workforce and operations require evolved approaches to maintain safety performance – in the face of volatile market conditions.

EHS leaders from oil and gas companies with combined revenues of more than US \$1.5 trillion have been sharing their perspectives on the

evolving health & safety landscape with ERM over the last 12 months. Despite employing more health and safety professionals per capita than any other industry (an average of 38 per 1,000 employees), not a single functional leader from our benchmarking engagement felt their teams were equipped to meet rising internal and external expectations.

Closing the Safety Gaps in Oil & Gas – How ERM Helps Companies Get Ahead

Risk Management: FOUNDATIONAL OPPORTUNITY

A substantial majority of oil and gas leaders – over 85% – have recognized shifts in the nature and scale of health and safety risks within their organizations. These changes arise from new business operations linked to the energy transition, evolving workforce dynamics, and aging assets. As a result, organizations are increasingly focused on enhancing their capabilities to identify hazards in dynamic environments and refining their risk assessment methodologies.

Most oil and gas leaders participating in the survey stated that their performance has improved over the past 3 years based on both lagging (60%) and leading indicators (71%). None attributed this to improvements in process safety, asset integrity, or risk assessment. In fact, 45% of respondents flagged persistent challenges with process safety. A key area of concern frequently highlighted by leaders is risk management, encompassing everything from enhanced risk identification to the application of robust risk assessment methodologies.

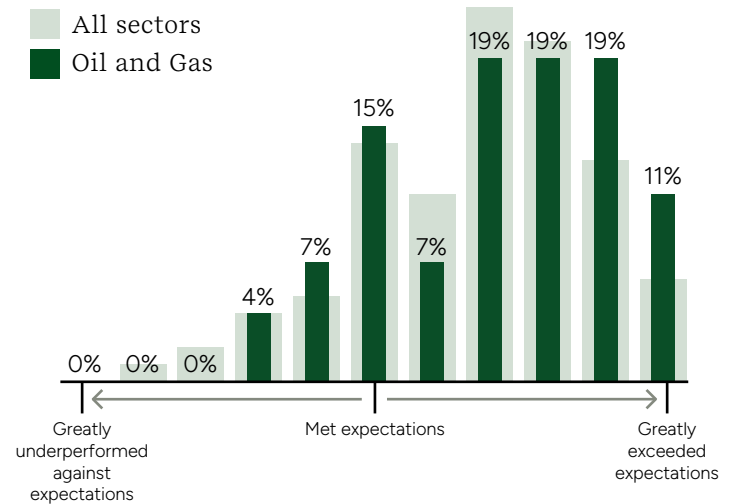
Fatality Elimination: STILL THE TOP PRIORITY

Despite decades of dedicated efforts, fatalities remain a persistent challenge in the oil and gas industry. In the past three years alone, 58 lives have been lost among the surveyed companies, underscoring the fact that existing measures to manage fatal risks are not always successful. It is clear that further action is necessary.

Loss of human life is the worst outcome for any organization and represents a failure to protect employees, contractors and other affected stakeholders. Furthermore, fatalities often result

ERM supports organizations by applying systems-thinking approaches to risk assessment – ensuring that controls are not only well-designed but also verified in practice through assurance, barrier management, and performance monitoring tools aligned to operational realities.

Figure 1: Assessment of the safety benefits derived from investments in technology



in significant operational disruptions, regulatory scrutiny, and reputational damage, which can amplify the financial impact well beyond the direct compensation or insurance payouts. The total cost (including indirect impacts) per fatality are typically in the region of \$1M to \$10M+, depending on the incident's scale, legal consequences, and public exposure.

ERM Partners are working with oil and gas clients to implement ERM's Fatality Elimination Framework, which enables organizations to refocus on the highest-risk activities, integrate human performance principles, and embed fatality prevention into both leadership behaviors and front-line practices.

Contractor Safety Performance:

A GROWING PRESSURE POINT

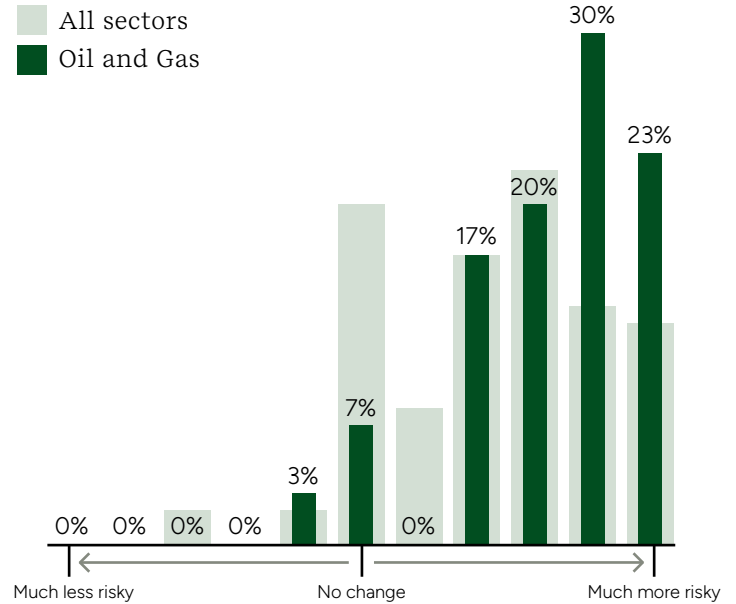
Contractors accounted for 55% of fatalities reported, and half (50%) of Oil and Gas leaders surveyed report that their contractors' safety performance is worse than their own employees'. With 73% anticipating increased reliance on contractors over the next three years, it is imperative to address this issue more effectively and with urgency.

To improve performance, most leaders in the 2020 survey were targeting contractor selection and oversight. In 2024, leaders cited improvements in leadership engagement, capability-building, and establishing partnerships with contractors as key actions most likely to improve contractor safety performance. Most (78%) stated that their approaches to contractor safety have become much more hands-on in the past 3 years.

ERM's Contractor Safety Management solution helps clients elevate contractor performance from a compliance obligation to a strategic advantage.

From risk-based contractor selection and onboarding to fit-for-purpose governance models and cultural alignment, ERM equips clients to drive consistent safety performance across the extended enterprise.

Figure 2: Risk profile of contractor activities vs own employees



Safety Culture:

DRIVING FUTURE PERFORMANCE

The overwhelming majority of survey participants report that behaviors in their organizations are characteristic of positive safety cultures: leaders engaged with safety, safety communications well-understood on the front-line, and a strong emphasis on safety performance. Nonetheless, three-quarters (76%) of the respondents identified improvements in safety culture, leadership engagement, and integration of human performance improvements as the areas where they would most like to focus to increase their influence on safety.

Despite employing more health and safety professionals per capita than any other industry (an average of 38 per 1,000 employees in O&G), half of the functional leaders (50%) from our benchmarking engagements said that their teams

were not well-equipped to meet rising internal and external expectations. None said that their teams were fully equipped to do so. Development needs most cited included communications, coaching and influence skills and business acumen – none part of traditional training for safety professionals.

To strengthen safety culture, organizations are increasingly adopting Human and Organizational Performance (HOP) principles, which promote a human-centered approach to safety. Rather than focusing solely on individual behaviors, HOP shifts attention to system design, operational context, and organizational learning. This approach helps identify and mitigate **risk amplifiers** – conditions that increase the likelihood or impact of errors – while building resilience and improving overall safety outcomes.

ERM: Turning Risk into Resilience

ERM is helping O&G companies build future-ready H&S programs – ones that support them to control the safety risks associated with their operations and differentiate them in the eyes of regulators, stakeholders, and the next-generation workforce.

Explore ERM's full Health & Safety offering to learn how we help companies lead with safety and perform with purpose.

EXPLORE NOW



The full survey report, *ERM 2024 Global Health and Safety Survey: Rising to the challenge of the constantly changing world of work* is available on erm.com.

DOWNLOAD THE REPORT

Authors

Geni Stevens

Tom Woolard

Ramesh Narasimhan

Amy McDonald

For more information, please contact:

Amy McDonald

Global Oil & Gas Industry Leader
amy.mcdonald@erm.com

Lorenzo Danzi

Europe, Middle East, and Africa
Oil & Gas Industry Leader
lorenzo.danzi@erm.com

Darren Reedy

Australia and New Zealand Oil &
Gas Industry Leader
darren.reedy@erm.com

Ramesh Narasimhan

Global Safety & Sustainable
Operations Leader
ramesh.narasimhan@erm.com

Tom Jackson

North America H&S Leader
tom.jackson@erm.com

© Copyright 2025 by the ERM International Group Limited and/or its affiliates ('ERM'). All rights reserved. No part of this work may be reproduced or transmitted in any form or by any means, without prior written permission of ERM.

Sustainability is our business

