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Shell deaths higher than other western groups

By Ed Crooks, Energy Editor Published: November 30 2008 23:37 | Last updated: November 30 2008 23:37

Royal Dutch Shell last year suffered more workforce deaths than any other large western oil company, with a rate of fatalities twice as high as **BP**'s.

The figures, compiled by the Financial Times from company reports, follow renewed focus on Shell's safety record after it was prosecuted in a case that last week resulted in some of the highest fines imposed on companies operating in the North Sea.

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Two employees and 28 contractors were killed working for Shell in 2007, compared with three employees and four contractors for BP, and eight contractors for **ExxonMobil**.

The companies are roughly comparable in size, but Shell has a bigger workforce, with 104,000 employees at the end of last year, compared with 98,000 for BP and 81,000 for Exxon.

Differences in organisational structure and operations account for some of the variation in reported deaths between companies. But even using a strictly comparable measure of workforce deaths per 100m hours worked, Shell's death rate was more than twice that of BP last year. Shell's overall safety performance, as measured by reported injuries per million work hours, was slightly better than BP's, but it has for years suffered a higher fatality rate than its peers.

In 2005, the year of the explosion at BP's Texas City refinery, which killed 15 people, Shell suffered more workforce deaths.

One reason is that Shell operates in some particularly dangerous countries, including Nigeria. Nine of last year's deaths were in Nigeria, with two people killed in attacks on Shell facilities, and 10 in Russia.

The number of fatalities was significantly lower than the 43 recorded in 2006, and Shell's death rate has fallen sharply in the past decade: it lost 67 people in 1997.

Shell said: "We are deeply saddened by these losses. Of these fatalities, 17 happened in our upstream business, mainly on the roads, or at high-risk locations like Nigeria, where two lives were lost due to assaults and a third died as a result of a fire caused by criminals stealing oil from a pipeline."

Last week Shell and Amec, the oil services and engineering group, were each fined £150,000 (\$230,000) for a case brought by the UK's Health and Safety Executive after the death of an Amec employee working on a Shell installation in the southern North Sea.

An HSE inspector said the accident had been caused by the two companies "failing to manage well-known and readily foreseeable hazards", and said that, had adequate risk assessments been carried out, the "accident could have been avoided".

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